



**DOCUMENTS RELATIFS AUX
RELATIONS EXTÉRIEURES DU CANADA**

**DOCUMENTS ON CANADIAN
EXTERNAL RELATIONS**



CANADA

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RELATIONS EXTÉRIEURES
DU CANADA

DOCUMENTS ON CANADIAN
EXTERNAL RELATIONS

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Sous la direction de
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Editor

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TABLE DES MATIÈRES CONTENTS

	PAGE		PAGE
INTRODUCTION	xi	INTRODUCTION	xi
PROVENANCE DES DOCUMENTS	xxv	LOCATION OF DOCUMENTS	xxv
LISTE DES ABRÉVIATIONS	xxvii	LIST OF ABBREVIATIONS	xxvii
LISTE DES PERSONNALITÉS	xxxi	LIST OF PERSONS	xxxi
ILLUSTRATIONS	xlix	ILLUSTRATIONS	xlix

Chapitre I

Chapter I

NATIONS UNIES ET AUTRES ORGANISATIONS INTERNATIONALES

UNITED NATIONS AND OTHER INTERNATIONAL ORGANIZATIONS

I. Nations Unies

I. United Nations

a) Questions présentées à la dixième session de l'Assemblée générale	
i) Instructions à la délégation canadienne	1
ii) Élections	
(1) Général	11
(2) Conseil de sécurité	14
iii) Admission de nouveaux membres	16
iv) Énergie atomique	
(1) Effets des radiations atomiques	71
v) Désarmement	
(1) Sous-comité de la commission du désarmement des Nations Unies	84
(2) Commission du désarmement	131
vi) Algérie	155
vii) Représentation de la Chine	162
viii) Évaluation	167
b) Contributions aux programmes extra-budgétaires	176
2. Accord général sur les tarifs douaniers et le commerce	
a) Neuvième session des parties contractantes et révision de l'accord	184
b) Dixième session des parties contractantes	225
c) Quatrième ronde des négociations multilatérales sur les tarifs douaniers	228
d) Participation du Japon	231

a) Issues before the Tenth Session of the General Assembly	
i) Instructions to the Canadian Delegation	1
ii) Elections	
(1) General	11
(2) Security Council	14
iii) Admission of New Members ...	16
iv) Atomic Energy	
(1) Effects of Atomic Radiation	71
v) Disarmament	
(1) Sub-Committee of the United Nations Disarmament Commission	84
(2) Disarmament Commission	131
vi) Algeria	155
vii) Representation of China	162
viii) Assessment	167
b) Contributions to Extra-budgetary Programmes	176
2. General Agreement on Tariffs and Trade	
a) 9th Session of the Contracting Parties and Revision of Agreement	184
b) 10th Session of the Contracting Parties	225
c) Fourth Round of Multilateral Tariff Negotiations	228
d) Participation of Japan	231

3. Fonds monétaire international	243	3. International Monetary Fund	243
Chapitre II		Chapter II	
ORGANISATION DU TRAITÉ DE		NORTH ATLANTIC	
L'ATLANTIQUE NORD		TREATY ORGANIZATION	
1. Revue annuelle et l'aide mutuelle		1. Annual Review and Mutual Aid	
a) Politique générale	270	a) General Policy	270
b) Infrastructure	301	b) Infrastructure	301
c) Attributions d'aéronefs à l'Allemagne	306	c) Allocation of Aircraft to Germany ...	306
d) Turquie	313	d) Turkey	313
2. Procédures d'alerte		2. Alerts Procedures	
a) Alertes	318	a) Alerts	318
b) Accord tripartite sur les alertes	324	b) Tripartite Alerts Agreement	324
3. Réunion ministérielle du conseil de l'Atlantique Nord, Paris, 9-11 mai 1955	350	3. Ministerial Meeting of the North Atlantic Council, Paris, May 9-11, 1955	350
4. Statut des forces en Allemagne	362	4. Status of Forces in Germany	362
5. Modifications aux contributions de la force nationale	372	5. Alterations in National Force Contribu- tions	372
6. Consultation politique : sécurité européenne		6. Political Consultation: European Security	
a) Réunion ministérielle du Conseil de l'Atlantique Nord, Paris, 16 juillet 1955	379	a) Ministerial Meeting of the North Atlantic Council, Paris, July 16, 1955	379
b) La conférence à Genève des chefs du gouvernement, 18-23 juillet 1955	393	b) Geneva Conference of Heads of Government, July 18-23, 1955	393
c) La conférence à Genève des ministres des Affaires étrangères, 27 octobre-16 novembre 1955	407	c) Geneva Conference of Foreign Minis- ters, October 27-November 16, 1955	407
7. Politique des armes nucléaires	443	7. Nuclear Weapons Policy	443
8. Réunion des ministres de la défense de l'OTAN, Paris, 10-12 octobre 1955	448	8. Meeting of NATO Defence Ministers, Paris, October 10-12, 1955	448
9. Article 2 et coopération non militaire	453	9. Article 2 and Non-Military Cooperation	453
10. Réunion ministérielle du conseil de l'Atlantique Nord, Paris, 15-16 décembre 1955	478	10. Ministerial Meeting of North Atlantic Council, Paris, December 15-16, 1955 ..	478
Chapitre III		Chapter III	
RELATIONS AVEC LE COMMONWEALTH		COMMONWEALTH RELATIONS	
1. Réunion des premiers ministres du Com- monwealth, 31 janvier-8 février 1955	507	1. Meeting of Commonwealth Prime Minis- ters, January 31-February 8, 1955	507
2. Plan de Colombo		2. Colombo Plan	
a) Contribution canadienne	539	a) Canadian Contribution	539

b) Réunion du comité consultatif du Commonwealth sur l'Asie du sud-est, Singapour, 17-21 octobre 1955	
i) Instructions.....	545
ii) Rapport.....	550
c) Ceylan.....	568
d) Inde	
i) Aide.....	571
ii) Réacteur de recherche NRX....	577
e) Pakistan.....	629
3. Pakistan : position au sein du Commonwealth.....	640
4. Relations avec des pays particuliers	
a) Inde	
i) Visite de Krishna Menon au Canada, juin 1955.....	646
ii) Visite du secrétaire d'État aux Affaires extérieures en inde, 24 octobre-6 novembre 1955.....	650
b) Royaume-Uni : charbon.....	651
c) Antilles : immigration.....	656

**Chapitre IV
RELATIONS AVEC LES ÉTATS-UNIS**

1. Visite du secrétaire d'État des États-Unis à Ottawa, le 17-19 mars 1955.....	660
2. Questions de défense	
a) Consultations stratégiques.....	670
b) Défense aérienne continentale.....	699
c) Le réseau d'alerte avancé.....	756
d) Système de défense radar : réseau Pinetree et la ligne mid-Canada.....	784
e) Goose Bay.....	790
f) Frobisher Bay.....	792
g) Essais nucléaires.....	799
h) Champ de tir au canon sur le Saint-Laurent.....	802
i) Télévision sur les bases américaines	806
j) Stations de sondage expérimentale...	812
k) Installations du réseau de télécommunications des États-Unis.....	818

b) Meeting of the Commonwealth Consultative Committee for South-East Asia, Singapore, October 17-21, 1955	
i) Instructions.....	545
ii) Report.....	550
c) Ceylon.....	568
d) India	
i) Aid.....	571
ii) NRX Research Reactor.....	577
e) Pakistan.....	629
3. Pakistan: Position Within the Commonwealth.....	640
4. Relations with Individual Countries	
a) India	
i) Visit of Krishna Menon to Canada, June 1955.....	646
ii) Visit of the Secretary of State for External Affairs to India, October 24-November 6, 1955..	650
b) United Kingdom: Coal.....	651
c) West Indies: Immigration.....	656

**Chapter IV
RELATIONS WITH THE UNITED STATES**

1. Visit of the United States Secretary of State to Ottawa, March 17-19, 1955.....	660
2. Defence Issues	
a) Strategic Consultations.....	670
b) Continental Air Defence.....	699
c) Distant Early Warning System.....	756
d) Radar Defence System: Pinetree Line and Mid-Canada Line.....	784
e) Goose Bay.....	790
f) Frobisher Bay.....	792
g) Nuclear Testing.....	799
h) St. Lawrence Gunnery Range.....	802
i) Television on American Bases.....	806
j) Experimental Sounding Stations.....	812
k) United States Communications Facilities.....	818

3. Questions économiques		3. Economic Issues	
a) Élimination des surplus agricoles des États-Unis : blé	833	a) Disposal of United States Agricultural Surpluses: Wheat.....	833
b) Restrictions des États-Unis sur les importations	852	b) United States Restrictions on Imports	852
c) Réunion de la commission mixte canado-américaine du commerce et des affaires économiques, Ottawa, 26 septembre 1955	895	c) Meeting of Joint Canada-United States Committee on Trade and Economic Affairs, Ottawa, September 26, 1955	895
d) Fraude en matière de valeurs mobilières	913	d) Securities Fraud	913
e) Voie maritime du Saint-Laurent.....	921	e) St. Lawrence Seaway	921
f) Taxe sur le transport.....	972	f) Transportation Tax	972
g) Câble transatlantique.....	973	g) Trans-Atlantic Cable.....	973
4. Énergie atomique		4. Atomic Energy	
a) Accord de coopération sur les utilisations civiles de l'énergie atomique...	981	a) Agreement for Cooperation on the Civil Uses of Atomic Energy	981
b) Accord de coopération en matière d'utilisations militaires de l'énergie atomique.....	991	b) Agreement for Cooperation on the Military Uses of Atomic Energy	991
c) Uranium	998	c) Uranium	998
5. Commission mixte internationale		5. International Joint Commission	
a) Pollution transfrontalière.....	1006	a) Cross-Border Pollution	1006
b) Le bassin de la rivière St. Croix	1012	b) St. Croix River Basin.....	1012
c) Les niveaux d'eau du lac Ontario....	1014	c) Lake Ontario Levels	1014
d) Le système de la rivière Columbia...	1036	d) Columbia River System	1036
e) Détournement de Chicago	1050	e) Chicago Diversion	1050
6. Eaux territoriales : entrée Dixon et détroit Hecate	1057	6. Territorial Waters: Dixon Entrance and Hecate Strait	1057
7. La chasse aux phoques	1057	7. Pelagic Sealing.....	1057
8. Souveraineté dans l'Arctique	1061	8. Arctic Sovereignty	1061
9. Publicité sur le Canada aux États-Unis ..	1061	9. Publicity in United States About Canada	1061

Chapitre V EUROPE ET L'UNION SOVIÉTIQUE

1. Europe de l'Ouest	
a) Intégration d'Europe de l'Ouest.....	1066
b) Organisation européenne de coopération économique	
i) Restrictions quantitatives sur les importations de la zone dollar ..	1076
ii) Convertibilité	1095
c) Autriche : traité d'État.....	1112

Chapter V EUROPE AND THE SOVIET UNION

1. Western Europe	
a) Western European Integration	1066
b) Organization for European Economic Cooperation	
i) Quantitative Restrictions on Dollar Imports	1076
ii) Convertibility	1095
c) Austria : State Treaty	1112

d) Italie : traité de la paix	1118
e) Immigration	1125
2. Europe de l'Est et l'Union Soviétique	
a) Visites officielles	1127
b) Pologne	1130
c) Union Soviétique	
i) Tendances de la politique étrangère	1138
ii) Visite du secrétaire d'État aux Affaires extérieures, 5-12 octobre 1955	1159
iii) Accord sur le commerce	1175
d) Pacte de Varsovie	1194

Chapitre VI MOYEN-ORIENT

1. Exportations d'armes	
a) Consultations	1201
b) Égypte	1204
c) Israël	1210
2. Relations arabes-israéliennes	1222
3. Égypte	
a) Visite du ministre des Affaires étrangères à Ottawa, 28-30 juin 1955	1234
b) Visite du secrétaire d'État aux Affaires extérieures au Caire, 10-12 novembre 1955	1236
4. Israël : visite du ministre des Affaires étrangères à Ottawa, 1-2 décembre 1955	1241
5. Pacte de Bagdad	1244

Chapitre VII EXTRÊME-ORIENT

1. Indochine : Commissions internationales de surveillance et de contrôle	
a) Vietnam	1247
b) Cambodge	1408
c) Laos	1442
2. Reconnaissance de la République du Vietnam	1503
3. Formose et les Îles Côtiers	1508
4. Reconnaissance de la République populaire de Chine	1571

d) Italy: Peace Treaty	1118
e) Immigration	1125
2. Eastern Europe and the Soviet Union	
a) Official Visits	1127
b) Poland	1130
c) Soviet Union	
i) Foreign Policy Trends	1138
ii) Visit of Secretary of State for External Affairs, October 5-12, 1955	1159
iii) Trade Agreement	1175
d) Warsaw Pact	1194

Chapter VI MIDDLE EAST

1. Export of Arms	
a) Consultations	1201
b) Egypt	1204
c) Israel	1210
2. Arab-Israeli Relations	1222
3. Egypt	
a) Visit of Foreign Minister to Ottawa, June 28-30, 1955	1234
b) Visit of Secretary of State for External Affairs to Cairo, November 10-12, 1955	1236
4. Israel: Visit of Foreign Minister to Ottawa, December 1-2, 1955	1241
5. Baghdad Pact	1244

Chapter VII FAR EAST

1. Indochina: International Commissions for Supervision and Control	
a) Vietnam	1247
b) Cambodia	1408
c) Laos	1442
2. Recognition of the Republic of Vietnam	1503
3. Formosa and the Coastal Islands	1508
4. Recognition of the People's Republic of China	1571

5. Conflit coréen : retrait des troupes canadiennes	1589
6. Immigration d'Asie	1613
7. Conférence des Nations non alignées à Bandung	1615
8. Japon	
a) Criminels de guerre	1626
b) Immigration	1634

Chapitre VIII

1. Politique de défense et politique étrangère à l'ère nucléaire	1640
INDEX	1659

5. Korean Conflict: Withdrawal of Canadian Troops	1589
6. Immigration from Asia	1613
7. Bandung Conference of Non-Aligned Na- tions	1615
8. Japan	
a) War Criminals	1626
b) Immigration	1634

Chapter VIII

1. Defence and Foreign Policy in the Nuclear Age	1640
INDEX	1683

INTRODUCTION

INTRODUCTION

Tout au long de l'année 1955, les décideurs canadiens durent prêter une attention soutenue à la guerre froide en Asie. Au début de l'année, le différend qui couvait entre la Chine communiste et la République de Chine, à propos de Formose (Taïwan) et des îles côtières de Quemoy et Matsu, menaçait de dégénérer en conflit ouvert sino-américain. Au moment où les États-Unis se préparaient à soutenir les forces nationalistes chinoises de Formose contre une attaque communiste, Ottawa esquissa un mouvement de recul à l'idée d'une reprise du conflit en Asie. La crise soulevait des questions fondamentales sur la nature et les limites de l'alliance du Canada avec Washington en temps de guerre froide. C'est pourquoi les documents du chapitre VII retracent de manière assez détaillée les efforts du Canada pour servir de médiateur entre les deux puissances antagonistes, pour amener les États-Unis à exercer une certaine retenue et, finalement, pour se distancier de la croisade américaine.

Cette crise amena le secrétaire d'État aux Affaires extérieures, Lester B. Pearson, à emprunter des voies intéressantes, tantôt inhabituelles, tantôt plus familières. Le spectre d'une guerre nucléaire, qu'agitaient les États-Unis pendant le bras de fer avec Pékin, força le ministre et son ministère à s'attaquer aux difficiles questions liées aux tactiques nucléaires modernes (documents 736 à 740). Cela conforta en outre le ministère dans sa volonté de s'adapter aux contraintes qui pesaient sur la politique étrangère et la politique de défense du Canada à l'ère atomique (document 789). Dans l'immédiat, la crise incita Pearson à chercher de nouveau une méthode pour faire admettre Pékin aux Nations Unies (document 748).

Formose fut au cœur des discussions de la Conférence des premiers ministres du Commonwealth qui se tint en février. Pearson y accompagnait le premier ministre Louis Saint-Laurent, à l'invitation du secrétaire au Foreign Office, Anthony Eden. Le compte rendu divertissant que fait Pearson des intrigues sociales, politiques et diplomatiques qui se jouèrent en coulisse donne une fausse idée de l'importance de cette rencontre internationale (document 241). Reprenant leurs efforts pour mettre fin à la guerre de Corée, amorcés pendant la conférence des premiers ministres de 1953, Eden et Pearson se joignirent au premier ministre de l'Inde, Jawaharlal Nehru, afin de trouver, sans succès toutefois, une stratégie pour désamorcer la crise formosane.

Ottawa prit note du rôle prépondérant de Nehru à cette conférence, ce qui amena les représentants canadiens à conclure que « le Commonwealth [...] dépend, dans une très large mesure, de l'importance que lui attachent les Indiens » (document 246). Le grand nombre de documents sur les relations du Canada avec l'Inde, reproduits dans le chapitre sur le Commonwealth, témoigne de cette opinion. Ces pages portent sur les questions habituelles, axées sur l'aide au développement, qui caractérisent les relations au sein du Commonwealth dans les volumes récents des *Documents relatifs aux relations extérieures du Canada*. Cependant, le lecteur y trouvera surtout des documents sur la décision du Canada de donner à l'Inde un réacteur nucléaire expérimental. Ce geste, s'il était destiné en partie à attirer la faveur de New Delhi pendant la guerre froide, représentait un des premiers efforts du Canada pour commercialiser son industrie nucléaire (documents 254 à 285). En effet, très tôt, la politique canadienne dans ce domaine fut guidée par des considérations d'ordre économique.

En 1955, malgré les efforts d'Ottawa pour renforcer ses liens avec New Delhi, les relations entre les deux pays se détériorèrent. Elles furent mises à rude épreuve par les divergences sur le rôle des trois commissions de surveillance internationales créées en 1954 pour préserver une paix fragile au Cambodge, au Laos et au Vietnam (chapitre

INTRODUCTION

The Cold War in Asia continued to demand the sustained attention of Canadian policy-makers throughout 1955. Early in the year, the simmering dispute between Communist China and the Republic of China over Formosa (Taiwan) and the offshore islands of Quemoy and Matsu threatened to escalate into a direct Sino-American confrontation. As the United States prepared to defend Chinese Nationalist forces in Formosa against Communist attack, Ottawa recoiled from the prospect of renewed conflict in Asia. The crisis raised fundamental questions about the nature and limitations of Canada's Cold War alliance with Washington. For that reason, the documentation in Chapter VII traces in some detail Canadian efforts to mediate between the two antagonists, to restrain the United States and, finally, to distance Canada from the American crusade.

The crisis led the Secretary of State for External Affairs, Lester B. Pearson, down interesting pathways—some unusual, others more familiar. American nuclear posturing during the confrontation with Peking forced the minister and his department to confront the difficult issues associated with modern nuclear tactics (Documents 736 to 740), and reinforced the department's determination to come to terms with the constraints on Canadian foreign and defence policy in the nuclear age (Document 789). More immediately, the crisis encouraged Pearson to renew his search for some method to admit Communist China to the United Nations (Document 748).

Formosa dominated discussion at the Commonwealth Prime Ministers' meeting in February, where Pearson accompanied Prime Minister Louis St. Laurent at the invitation of the British Foreign Secretary, Anthony Eden. Pearson's entertaining account of the social, political and diplomatic intrigues of this international gathering (Document 241) belied its importance. In a reprise of their effort to end the Korean War during the 1953 Prime Minister's conference, Eden and Pearson joined the Indian Prime Minister, Jawaharlal Nehru, in an unsuccessful search for a strategy to defuse the Formosan crisis.

Nehru's prominent role at the Prime Ministers' conference was noted in Ottawa, and prompted Canadian officials to conclude "that the Commonwealth ... is to a very considerable extent dependent on the importance the Indians attach to it" (Document 246). This view is reflected in the large number of documents on Canada's relations with India reprinted in the chapter on the Commonwealth. Although these pages cover the normal range of aid-related topics that has characterized Commonwealth relations in recent volumes of *Documents on Canadian External Relations*, it is dominated by documentation on Canada's decision to give India an experimental nuclear reactor. Intended in part to secure New Delhi's support in the Cold War, this gesture also represented an early effort to commercialize Canada's nuclear power industry (Documents 254 to 285). Indeed, economic considerations quickly came to drive Canadian policy in this field.

Despite Ottawa's efforts to reinforce its ties with New Delhi, Indo-Canadian relations deteriorated in 1955, strained by differences over the role of the three international control commissions established in 1954 to safeguard the fragile peace in Cambodia, Laos and Vietnam (Chapter VII). The commissions also complicated Canada's relations with its closest Western allies, the United Kingdom and the United States. In Laos, Canada came under strong pressure from Washington and London to bring the Pathet Lao to task for refusing to abide by the terms of the Geneva Agreement. In Vietnam, the American-sponsored President of South Vietnam, Ngo Dinh

VII). Ces commissions compliquèrent également les relations du Canada avec ses alliés occidentaux les plus proches, le Royaume-Uni et les États-Unis. Au Laos, Washington et Londres exercèrent de fortes pressions pour que le Canada rappelle à l'ordre le Pathet Lao, qui refusa de respecter les dispositions de l'Accord de Genève. Au Vietnam, le président du Sud-Vietnam, Ngo Dinh Diem, le protégé des Américains, s'employa à saper les efforts de la commission internationale et à provoquer une impasse qui se prolongerait indéfiniment. À cette perspective, les responsables canadiens furent forcés de revoir le rôle que jouerait à l'avenir le Canada dans ces commissions. Cette réévaluation, qui se poursuivit jusqu'en 1956, s'avéra ardue : « Nous sommes devant un dilemme épineux, car bien qu'une multitude de raisons militent en faveur du retrait des commissions d'Indochine, dès que cela sera possible, personne ne veut porter la terrible responsabilité de l'effondrement du cadre fragile dont peut dépendre la paix en Asie » (document 640).

En 1955, par comparaison aux dangers qui menaçaient en Asie, il y avait longtemps que les perspectives de paix et de stabilité en Europe n'avaient semblé aussi encourageantes. La conférence au sommet qui se déroula en juillet à Genève, où les dirigeants américains, français, britanniques et soviétiques se réunirent pour la première fois depuis 1945, semblait annoncer une diminution de la tension dans le monde. Cette accalmie fut toutefois de courte durée. Tout s'effondra à l'automne, après que les ministres des Affaires étrangères des Quatre furent incapables de s'entendre sur les mesures concrètes à prendre pour améliorer les relations Est-Ouest. Comme en témoigne l'important recueil de documents présenté dans le chapitre sur l'Organisation du Traité de l'Atlantique Nord (OTAN), le Canada suivit de près ces événements. Les consultations sur l'OTAN, qui précédèrent à la fois le sommet et la réunion décevante des ministres des Affaires étrangères, fournirent à Ottawa l'occasion de débattre la stratégie occidentale et d'influer (tant soit peu) sur son orientation à un moment important de la guerre froide.

Le chapitre sur l'OTAN renferme également nombre de documents sur des questions mieux connues. La volonté du Canada d'avoir son mot à dire sur l'utilisation éventuelle d'armes nucléaires par les États-Unis apparaît ici sous un nouvel éclairage. La section traitant de l'Accord tripartite sur les alertes retrace les efforts secrets des Britanniques, des Américains et des Canadiens pour trouver un mécanisme efficace de consultation entre alliés, dans l'éventualité d'une crise nucléaire. Ce chapitre contient des documents portant sur deux autres questions dont se préoccupaient constamment le Canada au sein de l'Alliance de l'Atlantique Nord : la coopération non militaire et l'aide mutuelle. Au printemps 1955, en raison des objections soulevées par ses fonctionnaires et ses collègues, Pearson relança le débat sur la coopération non militaire à la suite d'une initiative qui fit ressortir l'attitude ambiguë du Canada à l'égard des dispositions de l'article II du Traité de l'Atlantique Nord, connu sous le nom d'« article canadien ». La diminution des tensions internationales, un des facteurs qui motiva cette initiative, encouragea du coup Ottawa à réduire ses contributions dans le domaine de l'aide mutuelle. Cependant, comme le montrent les documents sur la livraison d'avions à l'Allemagne, la question de l'aide mutuelle devenait de plus en plus complexe, s'articulant autour d'un mélange hasardeux de considérations militaires, politiques et commerciales.

Le Canada envisageait sous une perspective unique les efforts du bloc soviétique pour normaliser ses relations avec l'Ouest. En mai, une délégation polonaise de haut

Diem, worked hard to undermine the international commission and foster an indefinite stalemate. As the prospect of a deadlock in Vietnam loomed, Canadian officials were forced to consider Canada's future role on the commissions. Their reassessment, which continued into 1956, was no easy task: "The unhappy dilemma in which we are placed is that there are abundant reasons for our seeking to get the Commissions out of Indochina as soon as possible but on the other hand it would be a terrible responsibility to break the delicate structure on which the peace of Asia might depend" (Document 640).

In contrast to the dangers that lurked in Asia, the prospects for peace and stability in Europe seemed more hopeful in 1955 than they had for a long time. The July summit meeting in Geneva, where American, French, British and Soviet leaders gathered for the first time since 1945, seemed to herald a period of reduced international tension. The respite was short-lived, and collapsed in the autumn of 1955 when the Foreign Ministers of the four Great Powers failed to agree on concrete measures to improve East-West relations. As the substantial collection of documents in the chapter on the North Atlantic Treaty Organization (NATO) demonstrates, Canada paid close attention to these developments. The NATO consultations, which preceded both the summit and the disappointing Foreign Ministers' meeting, provided Ottawa with an opportunity to discuss and to influence (however slightly) Western strategy at an important point in the Cold War.

The NATO chapter also contains its share of material on more familiar subjects. Canada's determination to secure a voice in any United States decision to employ nuclear weapons reappears here in a new guise. The section on the Tripartite Alerts Agreement records the secret Anglo-American-Canadian search for an effective means of allied consultation in the event of a nuclear crisis. The chapter documents two other persistent Canadian preoccupations in the North Atlantic Alliance: non-military co-operation and mutual aid. In the spring of 1955, over the objections of his officials and fellow ministers, Pearson revived the question of non-military co-operation in an exercise that underlined the ambiguity surrounding Canada's attitude to the provisions of NATO's Article II, the so-called "Canadian article." Diminishing international tensions, a factor behind this initiative, also encouraged Ottawa to reduce its mutual aid contributions. But as the documents on the allocation of aircraft to Germany reveal, mutual aid was becoming a more complex business, involving an uneasy mixture of military, political, and commercial considerations.

Canada's perspective on the Soviet bloc's efforts to normalize relations with the West was unique. In May, a high-level Polish delegation arrived in Ottawa for bilateral trade discussions, a step leading to negotiations on a broad range of issues (Chapter V). More important, Pearson travelled to Moscow in October, becoming the first NATO Foreign Minister to visit the Soviet Union. The Canadian clearly enjoyed his encounter with Soviet Premier Nikita Khrushchev, whom he described "as blunt and volatile as only a Ukrainian peasant, turned one of the most powerful men in the world, can be" (Document 537). Even so, as the documentation on wheat sales to the Soviet Union and official visits from Communist countries demonstrate, Ottawa treated Moscow's advances with a great deal of caution and suspicion.

Canada's reserve was prudent. Moscow's overtures to the West were offset by the establishment of the Warsaw Pact (Document 545) and by Communist meddling in the

niveau arriva à Ottawa pour discuter de commerce bilatéral, étape devant conduire à des négociations sur un grand nombre de questions (chapitre V). Qui plus est, Pearson se rendit à Moscou en octobre, devenant ainsi le premier ministre des Affaires étrangères de l'OTAN à visiter l'Union soviétique. À l'évidence, il apprécia sa rencontre avec le premier secrétaire, Nikita Khrouchtchev, qu'il trouva « carré et versatile, comme seul peut l'être un paysan ukrainien devenu l'un des hommes les plus puissants du monde » (document 537). Néanmoins, comme l'attestent les documents sur la vente de blé à l'Union soviétique et les visites officielles de représentants de pays communistes, Ottawa réagissait avec beaucoup de prudence et de méfiance aux avances de Moscou.

La réserve du Canada était dictée par la prudence. À la politique d'ouverture de Moscou envers l'Ouest s'opposaient la création du Pacte de Varsovie (document 545) et l'ingérence communiste au Moyen-Orient, où les ventes d'armes tchécoslovaques à l'Égypte menaçaient la stabilité précaire de la région (document 552). À la fin de l'année, après l'évanouissement de l'« esprit de Genève », l'OTAN, inflexible, conclut que « en entraînant un relâchement des efforts des pays de l'OTAN, les tactiques conciliantes des dirigeants soviétiques [...] faisaient pencher la balance des forces en leur faveur aux dépens de la communauté atlantique » (document 231).

Les questions de défense demeuraient un aspect important des relations du Canada avec les États-Unis. En matière de défense bilatérale, notamment, la démarche du Canada se caractérisait par une grande attention à ses prérogatives liées à la souveraineté. Cependant, il paraissait de plus en plus évident qu'Ottawa trouvait difficile d'assumer pleinement sa part du fardeau financier imputable à l'expansion des activités de défense de l'Amérique du Nord. Ce thème revient constamment dans les documents qui rendent compte du débat entre les ministères de la Défense nationale et des Affaires extérieures sur la participation canadienne à l'exploitation du réseau d'alerte avancé (documents 324 à 337). Il sous-tend également l'abondante documentation sur la défense aérienne continentale. Ce choix regroupe des documents sur les projets militaires bilatéraux devant conduire à la création d'un commandement conjoint de la défense aérienne nord-américain, et sur les efforts du Canada pour mettre au point son propre chasseur à réaction moderne, le CF-105, ou l'Avro Arrow (documents 309 à 323). L'opposition des conceptions nationale et continentale de la défense aérienne de l'Amérique du Nord, déjà perceptible dans ces documents, allait caractériser cette question pendant le reste de la décennie.

Dans l'immédiat, toutefois, les principaux dossiers bilatéraux touchaient à l'agriculture et à l'économie. Les efforts acharnés de Washington pour commercialiser le blé américain soulevaient de plus en plus l'ire des agriculteurs canadiens et des politiciens qui les représentaient. Les ministres comme les fonctionnaires s'inquiétaient de l'intention du gouvernement américain de subventionner, en vertu d'une loi jouissant d'une triste notoriété (*Public Law 480*), la vente de blé américain sur les marchés traditionnels du Canada. À leur désarroi, s'ajoutaient les pressions de plus en plus insistantes du Congrès en faveur de nouvelles restrictions à l'importation de toute une série de produits canadiens aux États-Unis. Cette mesure visait entre autres, le pétrole, le plomb, le zinc et le seigle. En répondant aux demandes du Congrès, le gouvernement américain tenait souvent compte des intérêts du Canada. Cependant, il y avait lieu de s'inquiéter de l'orientation restrictive de la politique commerciale américaine,

Middle East, where Czechoslovakian arms sales to Egypt threatened the region's precarious stability (Document 552). By the end of the year, as the "spirit of Geneva" evaporated, NATO grimly concluded that the "balance of capabilities [...was] tilting against the Atlantic community as the milder tactics of the Soviet leaders ... produced a relaxation of effort on the part of the NATO countries" (Document 231).

Defence questions continued to be an important aspect of Canada's relationship with the United States. Canada's approach to bilateral defence issues was characterized by a careful regard for its sovereign prerogatives. However, it was becoming increasingly clear that Ottawa was finding it difficult to bear its full share of the financial burden resulting from North America's expanding defence activities. This theme runs through the material documenting the debate between the Departments of National Defence and External Affairs over Canadian participation in the operation of the Distant Early Warning Line (Documents 324 to 337). It also informs the lengthy narrative on continental air defence. This selection weaves together material on nascent bilateral military plans for a joint North American air command with Canada's struggle to develop its own modern jet fighter - the CF-105 or Avro Arrow (Documents 309 to 323). The tension between national and continental approaches to North American air defence, already reflected in these documents, would define this question for the rest of the decade.

For the present, however, the principal bilateral issues were agricultural and economic. Canadian farmers and their politicians were increasingly angry with Washington's aggressive marketing of American wheat. The Administration's willingness to use subsidies under the notorious Public Law 480 to sell American wheat in Canada's traditional markets worried ministers and officials alike. Their distress was compounded by mounting Congressional demands for new import restrictions on a host of Canadian exports to the United States. Targeted commodities included oil, lead and zinc, and rye. Although the Administration often took account of Canadian interests when responding to Congress, the restrictive direction of American trade policy was unsettling and left Canadian officials in Washington and Ottawa uncertain how to proceed (Document 399).

As always, transboundary issues had a prominent place on the Canadian-American agenda in 1955. Growing public and Congressional dissatisfaction with the provisions of the 1954 St. Lawrence Seaway agreement governing navigational facilities in the Cornwall area prompted the White House to reopen negotiations in January. The selection of documents on the St. Lawrence Seaway also reflects the Cabinet's interest in ensuring that customs and immigration regulations would allow Canadian companies to bid on Seaway work. The Cabinet was equally interested in the problems associated with Lake Ontario water levels, an awkward technical issue described by Pearson as "controversial and explosive" (Document 466).

The complicated exercise of dividing the continent's natural resources between Canada and the United States continued to worry both countries as the pace of development quickened in the Western regions of North America. The House of Representatives raised alarm bells in Ottawa when it again proposed diverting water from Lake Michigan to meet Chicago's growing needs, threatening Canada's navigation and power interests in the lower Great Lakes (Document 483). In the International Joint Commission, whose engineering teams were busy surveying the Columbia River basin, the two countries jostled for position, aware that negotiations on the future of

à l'égard de laquelle les fonctionnaires canadiens ne savaient quelle ligne de conduite adopter, à Ottawa comme à Washington (document 399).

Comme toujours, en 1955, les questions transfrontalières arrivaient en tête des priorités canado-américaines. Les dispositions de l'entente sur la Voie maritime du Saint-Laurent, qui régissaient l'administration des installations de navigation dans la région de Cornwall, suscitaient un mécontentement grandissant parmi le public et les membres du Congrès. C'est pourquoi la Maison-Blanche décida de rouvrir les négociations en janvier. Le choix de documents sur la Voie maritime du Saint-Laurent illustre combien le Cabinet trouvait important que la réglementation dans le domaine des douanes et de l'immigration permette aux entreprises canadiennes de soumissionner les appels d'offres pour la construction de la voie maritime. Le Cabinet s'intéressait également aux problèmes liés au niveau du lac Ontario, question technique délicate qui, de l'aveu même de Pearson, s'avérait « sujette à controverse et explosive » (document 466).

À mesure que le développement s'accélérait dans l'ouest de l'Amérique du Nord, le difficile partage des ressources naturelles du continent entre le Canada et les États-Unis continuait de préoccuper les deux pays. En proposant à nouveau de détourner l'eau du lac Michigan pour répondre aux besoins grandissants de Chicago, menaçant du même coup les intérêts canadiens dans les secteurs de la navigation et de la production d'électricité dans les Grands Lacs inférieurs, la Chambre des représentants déclencha l'alarme à Ottawa (document 483). À la Commission mixte internationale, pendant que les arpenteurs faisaient le levé du bassin du fleuve Columbia, les deux pays jouaient des coudes, conscients que des négociations sur l'avenir de ce fleuve international se profilaient à l'horizon (documents 475 à 482). Plus à l'ouest et au nord, ces questions s'avéraient encore plus fondamentales et délicates, puisque la frontière elle-même était en cause. Cependant, le présent volume ne contient aucun document à ce sujet. La publication de quatre documents sur l'entrée Dixon et le détroit d'Hécate, et d'un document sur la souveraineté dans l'Arctique, n'a pas été autorisée aux termes des dispositions de la *Loi sur l'accès à l'information*.

Au cours de cette année, le premier ministre canadien, Louis Saint-Laurent, ne joua qu'un rôle minime dans la politique étrangère du Canada, laissant ces questions entre les mains expertes de Pearson. En l'absence du secrétaire d'État aux Affaires extérieures, cette responsabilité était habituellement confiée à Paul Martin, le ministre de la Santé nationale et du Bien-être social. La façon dont celui-ci mena l'affaire des essais nucléaires sous-marins effectués par les États-Unis fait ressortir son assurance grandissante à ce poste, et la sensibilité politique qu'il apportait à ce portefeuille (documents 346 à 349). Fait encore plus important, en tant que chef de la délégation canadienne à la 10^e session de l'Assemblée générale des Nations Unies, Martin fut le principal artisan de la campagne qui permit de dénouer l'impasse concernant l'admission de nouveaux membres, devant laquelle se trouvaient depuis longtemps les grandes puissances (documents 4 à 40). Parmi les autres ministres du Cabinet investis de responsabilités importantes en matière de politique étrangère, il convient de citer Ralph Campney, le ministre de la Défense nationale, et Walter Harris, le ministre des Finances. En sa qualité de ministre du Commerce et de ministre de la Production de la défense, C. D Howe continua d'exercer une influence considérable sur la politique en matière de commerce extérieur.

this international river lay just over the horizon (Documents 475 to 482). Further west and north, the questions were more fundamental and sensitive, involving the border itself. These, however, are not covered in this volume as four documents on Dixon Entrance and Hecate Strait and one document on Arctic Sovereignty, selected for publication, were withheld under the provisions of the Access to Information legislation.

Canadian Prime Minister Louis St. Laurent played only a minor foreign policy role during the year, leaving most questions in Pearson's experienced hands. When absent, the Secretary of State for External Affairs was normally replaced by Paul Martin, the Minister of National Health and Welfare. Martin's growing confidence in this role and the political sensibilities he brought to the portfolio are evident in his handling of American underwater nuclear tests (Documents 346 to 349). More important, as head of the Canadian Delegation to the 10th session of the United Nations General Assembly, Martin was the primary mover in the successful campaign to resolve the long stalemate among the major powers over the admission of new members (Documents 4 to 40). Other Cabinet ministers with significant foreign policy responsibilities included Ralph Campney, the Minister of National Defence, and Walter Harris, the Minister of Finance. C.D. Howe retained his considerable influence over foreign economic policy as Minister of Trade and Commerce and Minister of Defence Production.

The senior ranks of the Department of External Affairs were largely unchanged. Jules Léger remained Under-Secretary of State for External Affairs, assisted for much of the year by R.A. MacKay. MacKay carried out the duties of Associate Under-Secretary until August 1955, when he replaced David M. Johnson as Permanent Representative to the United Nations. At about the same time, R.M. Macdonnell was promoted to Deputy Under-Secretary. Also supporting Léger were three experienced Assistant Under-Secretaries: John Holmes, Jean A. Chapdelaine and Max Wershof, who was also the Department's Legal Advisor.

There was no change in representation at Canada's key posts abroad. Dana Wilgress remained Permanent Representative to the North Atlantic Council and Representative to the Organization for European Economic Co-operation, and Norman A. Robertson stayed in London as High Commissioner to the United Kingdom. Arnold Heeny and Georges Vanier continued as Ambassadors to the United States and France, respectively.

Like other recent volumes in this series, Volume 21 is based primarily on the records of the Department of External Affairs and the Privy Council Office. These records were supplemented where necessary by the private papers of Cabinet ministers and senior officials, and the files of the Departments of National Defence, Finance, and Trade and Commerce. In preparing this volume, I was given complete access to the files of the Department of External Affairs and generous access to other collections. A complete list of the archival sources examined in the preparation of this volume may be found on page xxv.

The selection of documents continues to be guided by the general principles outlined in the Introduction to Volume 7 (pp. ix-xi), as amended in the Introduction to Volume 20 (p. xxiii). In short, the series tries to provide a "self-contained record of the major foreign policy decisions taken by the Government of Canada," by focussing intensively on Canada's most important bilateral and multilateral relationships and on

Les hauts responsables du ministère des Affaires extérieures étaient en grande partie les mêmes. Jules Léger occupait toujours le poste de sous-secrétaire d'État aux Affaires extérieures, et fut secondé pendant la plus grande partie de l'année par R. A. MacKay. Celui-ci assumait en effet la fonction de sous-secrétaire d'État associé jusqu'en août, lorsqu'il remplaça David M. Johnson au poste de représentant permanent auprès des Nations Unies. Environ au même moment, R. M. Macdonnell fut nommé sous-secrétaire adjoint. Trois sous-secrétaires adjoints expérimentés aidaient également Léger dans sa tâche. Il s'agissait de John Holmes, de Jean A. Chapdelaine et de Max Wershof, qui était également le conseiller juridique du ministère.

Les mêmes personnes occupaient toujours les principaux postes de représentants du Canada à l'étranger. Dana Wilgress était la représentante permanente auprès du Conseil de l'Atlantique Nord et de l'Organisation européenne de coopération économique, et Norman A. Robertson resta à Londres, s'acquittant de ses fonctions de haut-commissaire auprès du Royaume-Uni. Pour leur part, Arnold Heeney et Georges Vanier occupaient respectivement les postes d'ambassadeur auprès des États-Unis et de la France.

Comme pour les derniers volumes de cette collection, le volume 21 s'appuie principalement sur les archives du ministère des Affaires extérieures et du Bureau du Conseil privé. Nous avons consulté au besoin des documents provenant des archives privées des ministres du Cabinet et des hauts fonctionnaires, ainsi que les dossiers des ministères de la Défense nationale et des Finances, et du ministère du Commerce. J'ai en outre eu accès à tous les dossiers du ministère des Affaires étrangères et bénéficié d'un excellent accès à d'autres archives. Vous trouverez la liste complète des documents consultés pour l'établissement de ce volume à la page xxv.

Les grands principes énoncés dans l'Introduction du volume 7 (pp. ix-xi), modifiés par la suite dans l'Introduction du volume 20 (p. xxiii), guident la sélection des documents. En bref, cette série se propose de fournir un compte rendu complet des principales décisions du gouvernement du Canada en matière de politique étrangère. Pour cela, elle privilégie, au premier chef, les relations bilatérales et multilatérales les plus importantes du Canada et les grandes questions internationales sur lesquelles les membres du Cabinet sont appelés directement à prendre des décisions cruciales.

Les signes typographiques sont les mêmes que ceux décrits dans l'Introduction du volume 9 (p. xix). Ainsi, une croix (†) signifie que le document n'est pas reproduit dans le présent volume; des points de suspension [...] indiquent que des passages ont été retranchés. L'expression « group corrupt » révèle l'existence de problèmes de déchiffrement dans la transmission du télégramme original. Lorsque cela revêt une certaine importance, les mots et les passages rayés par l'auteur d'un texte, les notes marginales et les listes de distribution figurent dans les notes en bas de page. Sauf avis contraire, les documents sont censés avoir été lus par leur destinataire. Les noms propres et les noms de lieu ont été uniformisés. Le rédacteur a corrigé discrètement l'orthographe, la ponctuation, les majuscules et les erreurs de transcriptions, lorsque le contexte ne laissait planer aucun doute sur le sens du texte. Tous les autres ajouts sont indiqués entre crochets. Les documents sont reproduits en anglais ou en français, selon la langue dans laquelle ils ont été rédigés à l'origine.

L'édition du présent volume est le fruit d'un travail collectif. Comme toujours, les Archives nationales du Canada apportent une contribution indispensable à la Section

the major international issues that directly involved the members of the Cabinet in substantive policy decisions.

The editorial devices used in this volume are similar to those described in the Introduction to Volume 9 (p. xix). A dagger (†) indicates a document that has not been printed. Editorial excisions are shown by an ellipse (...). The phrase "group corrupt" indicates decryption problems in the transmission of the original telegram. Words and passages that were struck out by the author, marginal notes and distribution lists are reproduced as footnotes only when important. Unless otherwise indicated, it is assumed that documents have been read by the addressee. Proper and place names are standardized. The editor has silently corrected spelling, punctuation and capitalization, as well as transcription errors whose meaning is clear from their context. All other editorial additions to the body of the text are indicated by the use of square brackets. Documents are reprinted in either English or French, depending on their language of origin.

The preparation of this volume was a collective effort. The Historical Section continues to depend on the expertise of the staff at the National Archives of Canada for help in locating relevant records. Paulete Dozois, Paul Marsden and Dave Smith of the Government Archives Division responded generously and efficiently to requests for assistance. Ciuneas Boyle, Access to Information Co-ordinator at the Privy Council Office, facilitated access to classified Cabinet records for the period. The Honourable Paul Martin Jr. graciously granted me access to his father's personal papers. My overseas colleagues, Heather Yasamee and Dr. Keith Hamilton of Records and Historical Services, Foreign and Commonwealth Office, helped arrange for the declassification of several important British documents. William Burr of the National Security Archive, Washington D.C., was also helpful in this respect.

Ted Kelly edited the chapter on the United Nations and prepared a preliminary selection of material for the chapter on Europe. With customary thoroughness, he guided the volume through production. Christopher Cook remained my principal research assistant, joined for short periods of time by Joseph McHattie, Nelson Joannette, Michael Stevenson and Paul Anderson. Boris Stipernitz aided with the research, compiled the index, and provided thoughtful and cogent advice. A better team would be hard to find.

Isabel Campbell of the Department of National Defence's Directorate of History and Heritage provided guidance on Canadian defence policy in the mid-1950s. Her colleague, Gabrielle Nishiguchi, cleared up my confusion over Japanese immigration. John English, the author of an excellent biography of Pearson, responded graciously to my many and varied queries. Norman Hillmer, who edited an earlier volume in this series, was the source of practical advice and encouragement. My colleague (and another veteran editor), Hector Mackenzie, read and commented on parts of my selection. The general editor of *Documents on Canadian External Relations*, and head of the Historical Section, John Hilliker, offered sound advice leavened with patient good humour. The series would not be possible without the administrative support of the director of the Communications Programs and Outreach Division, Gaston Barban. I remain solely responsible for the final selection of documents in this volume.

historique, en l'aidant à trouver les documents pertinents. Paulette Dozois, Paul Marsden et Dave Smith de la Division des archives gouvernementales ont répondu généreusement et efficacement aux demandes d'aide. Pour sa part, la coordonnatrice de l'accès à l'information au Bureau du Conseil privé, Ciúineas Boyle, a facilité l'accès à des documents confidentiels du Cabinet datant de cette époque. L'honorable Paul Martin fils m'a gracieusement donné accès aux documents personnels de son père. Mes collègues à l'étranger, Heather Yasamee et Keith Hamilton, du service des archives et d'histoire du ministère des Affaires étrangères du Royaume-uni, m'ont aidé à faire déclassifier plusieurs documents britanniques importants. À cet égard, il convient également de mentionner l'aide de William Burr des National Security Archive, à Washington D.C.

Ted Kelly a établi le chapitre consacré aux Nations Unies et procédé à une sélection préliminaire des documents destinés au chapitre sur l'Europe. Toujours avec le même souci de rigueur, il a dirigé les différentes étapes de la réalisation de cet ouvrage. Mon principal adjoint de recherche a été Christopher Cook, secondé à l'occasion par Joseph McHattie, Nelson Joannette, Michael Stevenson et Paul Anderson. Boris Stipernitz a participé à la recherche, préparé l'index et fourni des conseils à la fois sages et pertinents. Il aurait été difficile de trouver meilleure équipe.

Isabel Campbell de la Direction de l'histoire et du patrimoine du ministère de la Défense nationale m'a conseillé sur la politique de défense du Canada au milieu des années 1950. Sa collègue, Gabrielle Nishiguchi, a dissipé toute confusion au sujet de l'immigration japonaise. John English, l'auteur d'une excellente biographie de Pearson, a aimablement répondu à mes nombreuses questions sur une foule de sujets. Norman Hillmer, qui a déjà compilé un volume de cette collection, m'a prodigué des conseils pratiques et des mots d'encouragement. Mon collègue (un autre éditeur chevronné), Hector Mackenzie, a lu une partie des documents retenus et m'a fait part de ses commentaires. John Hilliker, l'éditeur en chef des *Documents relatifs aux relations extérieures du Canada* et le chef de la Section historique, m'a donné des conseils judicieux, que relevait un sens de l'humour empreint de patience. La publication de cette collection ne serait pas possible sans le soutien administratif du directeur de la Direction des programmes de communications et de sensibilisation, Gaston Barban. Cependant, je suis seul responsable de la sélection des documents retenus pour le présent ouvrage.

La Section historique a fourni les textes complémentaires et coordonné la préparation technique de l'ouvrage. Aline Gélinau a tapé et mis en forme le manuscrit. M. Yvon Litalien du service de traduction du Ministère a traduit en français la plupart des notes en bas de page, des légendes et des textes complémentaires. Mes collègues de la Direction des services de communications, Francine Fournier et Julia Gualtieri, m'ont donné des conseils de rédaction. Gail Kirkpatrick Devlin s'est chargée de la relecture du manuscrit, a préparé la liste des personnes et mis la dernière main à la mise en pages.

L'édition du présent volume s'est effectuée dans des circonstances quelque peu inhabituelles. C'est en grande partie grâce au soutien indispensable de Mary et Katherine Donaghy qu'il a été possible de la mener à terme.

GREG DONAGHY

The Historical Section provides the supplementary text and coordinates the technical preparation of the volume. The manuscript was typed and formatted by Aline Gélinau. Mr. Yvon Litalien of the Translation Bureau provided the French for most of the footnotes, the captions and the ancillary text. My colleagues in the Communications Services Division, Francine Fournier and Julia Gualtieri, provided editorial guidance. Gail Kirkpatrick Devlin proofread the manuscript, composed the list of persons and refined the layout.

This volume was prepared under some unusual circumstances, and its completion owes much to the vital support of Mary and Katherine Donaghy.

GREG DONAGHY

PROVENANCE DES DOCUMENTS¹

LOCATION OF DOCUMENTS¹

Documents de C.D. Howe, Archives nationales (MG 27 III B20)	C.D.H.	C.D. Howe Papers, National Archives (MG 27 III B20)
Dossiers de l'ambassade du Canada à Washington, Archives nationales (RG 25 B3)	CEW	Canadian Embassy, Washington, Files, National Archives (RG 25 B3)
Dossiers du ministère des Affaires extérieures	DEA	Department of External Affairs Files
Dossiers du ministère des Finances, Archives nationales (RG 19)	DF	Department of Finance Files, National Archives (RG 19)
Dossiers du ministère du Commerce, Archives nationales (RG 20)	DTC	Department of Trade and Commerce Files, National Archives (RG 20)
Documents de L.B. Pearson, Archives nationales (MG 26 N1)	L.B.P.	L.B. Pearson Papers, National Archives (MG 26 N1)
Documents de L.S. Saint-Laurent, Archives nationales (MG 26 L)	L.S.L.	L.S. St. Laurent Papers, National Archives (MG 26 L)
Bureau du Conseil privé— conclusions du Cabinet et documents du Cabinet	PCO	Privy Council Office— Cabinet Conclusions and Cabinet Documents
Autres documents des archives du BCP	PCO/Vol.#	Other documents from PCO records
Documents de R.A. MacKay, Archives nationales (MG 30 E159)	R.A.M.	R.A. MacKay Papers, National Archives (MG 30 E159)

¹ Ceci est une liste des symboles utilisés pour indiquer la provenance des documents. Les cotes des collections déposées aux Archives nationales du Canada sont entre parenthèses.

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

LISTE DES ABBRÉVIATIONS LIST OF ABBREVIATIONS

AA	ANTI-AIRCRAFT
AAA	AGRICULTURAL ADJUSTMENT ACT (US)
ACND	ADVISORY COMMITTEE ON NORTHERN DEVELOPMENT
ADC	AIR DEFENSE COMMAND
AEC	ATOMIC ENERGY COMMISSION (US)
AECB	ATOMIC ENERGY CONTROL BOARD
AECL	ATOMIC ENERGY OF CANADA LIMITED
AFP	AGENCE FRANCE-PRESSE
AOC	AIR OFFICER COMMANDING
AP	ASSOCIATED PRESS
AR(Q)	ANNUAL REVIEW (QUESTIONNAIRE) (NATO)
AT	ANTI-TANK
ATAF	ALLIED TACTICAL AIR FORCE (NATO)
ATC	AIR TRAFFIC CONTROL
AWX	ALL WEATHER AIRCRAFT INTERCEPTOR
BADGE	BASIC AIR DEFENCE GROUND ENVIRONMENT
BCFK	BRITISH COMMONWEALTH FORCES KOREA
BENELUX	BELGIUM, NETHERLANDS, LUXEMBOURG
BJSM	BRITISH JOINT STAFF MISSION (WASHINGTON)
BOMARC	BOEING-MICHIGAN AERONAUTICAL CENTRE
BUP	BRITISH UNITED PRESS
BWI	BRITISH WEST INDIES
CANAC	PERMANENT DELEGATION OF CANADA TO THE NORTH ATLANTIC COUNCIL
CANDEL	CANADIAN DELEGATION TO THE GENERAL ASSEMBLY OF UNITED NATIONS
CAS	CHIEF OF AIR STAFF
CBC(-IS)	CANADIAN BROADCASTING CORPORATION(-INTERNATIONAL SERVICE)
CCC	COMMERCIAL CABLE COMPANY
CCC	COMMODITY CREDIT CORPORATION (US)
CCF	COOPERATIVE COMMONWEALTH FEDERATION
CCOS	CHAIRMAN, CHIEFS OF STAFF
CDU	<i>Christlich-Demokratische Union</i> (Christian-Democratic Union)
CFS	CUBIC FOOT PER SECOND
CGE	CANADIAN GENERAL ELECTRIC COMPANY LIMITED
CHINCOM	CHINA COMMITTEE OF THE PARIS CONSULTATIVE COMMITTEE
CIA	CENTRAL INTELLIGENCE AGENCY (US)
CIGS	CHIEF OF THE IMPERIAL GENERAL STAFF (UK)
CINCUNC	COMMANDER-IN-CHIEF, UNITED NATIONS COMMAND
CISC	COMMISSION INTERNATIONALE DE SURVEILLANCE ET DE CONTRÔLE
CJS	CANADIAN JOINT STAFF (WASHINGTON)
COCOM	COORDINATING COMMITTEE ON EXPORT CONTROLS
CONAD	CONTINENTAL AIR DEFENCE COMMAND
CP	CANADIAN PRESS
CPC	COMBINED POLICY COMMITTEE (CANADA-UK-US)
CPDUN	CANADIAN PERMANENT DELEGATION TO UNITED NATIONS
CRC	CONTROL AND REPORTING CENTRE
CRO	COMMONWEALTH RELATIONS OFFICE (UK)
CRP	CONTROL AND REPORTING POST
DDP	DEPARTMENT OF DEFENCE PRODUCTION
DEA	DEPARTMENT OF EXTERNAL AFFAIRS
DEW	DISTANT EARLY WARNING
DL(1)	DEFENCE LIAISON (1) DIVISION
DND	DEPARTMENT OF NATIONAL DEFENCE
DOT	DEPARTMENT OF TRANSPORT
DRB	DEFENCE RESEARCH BOARD
DRVN	DEMOCRATIC REPUBLIC OF VIETNAM
DWS	DIPLOMATIC WIRELESS SERVICE (UK)
ECAFE	ECONOMIC COMMISSION FOR ASIA AND THE FAR EAST (UN)
ECE	ECONOMIC COMMISSION FOR EUROPE (UN)

ECM	ELECTRONIC COUNTER-MEASURE
ECOSOC	ECONOMIC AND SOCIAL COUNCIL OF UNITED NATIONS
ECSC	EUROPEAN COAL AND STEEL COMMUNITY
EDC	EUROPEAN DEFENCE COMMUNITY
EF	EUROPEAN FUND
EPU	EUROPEAN PAYMENTS UNION
ETAP	EXPANDED TECHNICAL ASSISTANCE PROGRAM (UN)
EW/GCI	EARLY WARNING/GROUND CONTROL INTERCEPT
FAO	FOOD AND AGRICULTURE ORGANIZATION
FFPL	FIGHTING FORCES OF THE PATHET LAO
FL	FRENCH LIAISON
FO	FOREIGN OFFICE (UK)
FOA	FOREIGN OPERATIONS ADMINISTRATION (US)
FOB	FREE ON BOARD
FPC	FEDERAL POWER COMMISSION (US)
FUF	FRENCH UNION FORCES
FUPL	FIGHTING UNITS OF THE PATHET LAO
GATT	GENERAL AGREEMENT ON TARIFFS AND TRADE
HMCS	HER MAJESTY'S CANADIAN SHIP
HR	HOUSE OF REPRESENTATIVES (US)
IBRD	INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
ICAO	INTERNATIONAL CIVIL AVIATION ORGANIZATION
ICBM	INTERCONTINENTAL BALLISTIC MISSILE
ICS	INDIAN CIVIL SERVICE
ICSC	INTERNATIONAL COMMISSION FOR SUPERVISION AND CONTROL
IDF	INTERCEPTOR DAY FIGHTER
IFC	INTERNATIONAL FINANCE CORPORATION (UN)
IJC	INTERNATIONAL JOINT COMMISSION (CANADA-US)
IMF	INTERNATIONAL MONETARY FUND
ITO	INTERNATIONAL TRADE ORGANIZATION
IWA	INTERNATIONAL WHEAT AGREEMENT
JCS	JOINT CHIEFS OF STAFF (US)
JIC	JOINT INTELLIGENCE COMMITTEE
JIMC	JOINT INDUSTRIAL MOBILIZATION COMMITTEE (CANADA-US)
JPC	JOINT PLANNING COMMITTEE
KRF	KHMER RESISTANCE FORCES
KWH	KILOWATT HOUR
LNA	LAOTIAN NATIONAL ARMY
LOFAR	LOW FREQUENCY ACQUISITION AND RANGING; LOW FREQUENCY ANALYSIS AND RECORDING
MAA	MILITARY ASSISTANCE AGREEMENT (US)
MAAG	MILITARY ASSISTANCE ADVISORY GROUP (US)
MAC	MILITARY ARMISTICE COMMISSION
MAE	MINISTÈRE DES AFFAIRES EXTÉRIEURES
MC	MILITARY COMMITTEE (NATO)
MCC	MILITARY COOPERATION COMMITTEE (CANADA-UNITED STATES)
MDAP	MUTUAL DEFENCE ASSISTANCE PROGRAM (US)
MEDO	MIDDLE EAST DEFENCE ORGANIZATION
MFN	MOST FAVOURED NATION
MRC	MILITARY REPRESENTATIVES COMMITTEE (NATO)
MSA	MUTUAL SECURITY ACT (US)
MSG	MILITARY STUDY GROUP (CANADA-US)
NANR	NORTHERN AFFAIRS AND NATURAL RESOURCES
NATO	NORTH ATLANTIC TREATY ORGANIZATION
NCSM	NAVIRE CANADIEN DE SA MAJESTÉ
NEACC	NEAR EAST ARMS COORDINATING COMMITTEE
NNRC	NEUTRAL NATIONS REPATRIATION COMMISSION
NNSC	NEUTRAL NATIONS SUPERVISORY COMMISSION
NRU	NUCLEAR RESEARCH UNIVERSAL

NRX	NUCLEAR RESEARCH EXPERIMENTAL
NYC	NEW YORK CENTRAL RAILROAD
ODASE	ORGANISATION DE DÉFENSE DE L'ASIE DU SUD-EST
ODM	OFFICE OF DEFENSE MOBILIZATION (US)
OEEC	ORGANIZATION FOR EUROPEAN ECONOMIC COOPERATION
OFAR	OFFICE OF FOREIGN AGRICULTURAL RELATIONS (US)
OTAN	ORGANISATION DU TRAITÉ DE L'ATLANTIQUE NORD
OTC	ORGANIZATION FOR TRADE COOPERATION (GATT)
PASNY	POWER AUTHORITY OF THE STATE OF NEW YORK
PAVN	PEOPLE'S ARMY OF VIETNAM
PC(O)	PRIVY COUNCIL (OFFICE)
PERMDEL	PERMANENT DELEGATION OF CANADA TO THE UNITED NATIONS, NEW YORK
PJBD	PERMANENT JOINT BOARD ON DEFENCE (CANADA-US)
PL	PATHET LAO
POL	PETROLEUM, OIL, LUBRICANTS
PVV/PL	PEOPLE'S VIETNAMESE VOLUNTEERS/PATHET LAO
QR	QUANTITATIVE RESTRICTIONS
RCAF	ROYAL CANADIAN AIR FORCE
RCMP	ROYAL CANADIAN MOUNTED POLICE
RCN (R)	ROYAL CANADIAN NAVY (RESERVE)
RLG	ROYAL LAOTIAN GOVERNMENT
RNZASC	ROYAL NEW ZEALAND ARMY SERVICE CORPS
ROK	REPUBLIC OF KOREA
SAC	STRATEGIC AIR COMMAND (US)
SACEUR	SUPREME ALLIED COMMANDER, EUROPE (NATO)
SACLANT	SUPREME ALLIED COMMANDER, ATLANTIC (NATO)
SAGE	SEMI-AUTOMATIC GROUND ENVIRONMENT
SEADO	SOUTH EAST ASIA DEFENCE ORGANIZATION
SEATO	SOUTH EAST ASIA TREATY ORGANIZATION
SG	STANDING GROUP (NATO)
SGLO	STANDING GROUP LIAISON OFFICER (NATO)
SHAPE	SUPREME HEADQUARTERS, ALLIED POWERS, EUROPE (NATO)
SRC	SOCIÉTÉ RADIO CANADA
SUNFED	SPECIAL UNITED NATIONS FUND FOR ECONOMIC DEVELOPMENT
TAC	TECHNICAL ASSISTANCE COMMITTEE (UN)
TAC	TRADE AGREEMENTS COMMITTEE (GATT)
TCA	TRANS-CANADA AIRLINES
UK	UNITED KINGDOM
UN	UNITED NATIONS
UNESCO	UNITED NATIONS EDUCATIONAL, SCIENTIFIC AND CULTURAL ORGANIZATION
UNICEF	UNITED NATIONS CHILDREN'S FUND (ANCIENNETÉ/FORMERLY UNITED NATIONS INTERNATIONAL CHILDREN'S EMERGENCY FUND)
UNKRA	UNITED NATIONS KOREAN RECONSTRUCTION AGENCY
UNREF	UNITED NATIONS REFUGEE FUND
UNRPR	UNITED NATIONS RELIEF FOR PALESTINE REFUGEES
UNRWA(PR)	UNITED NATIONS RELIEF AND WORKS AGENCY (FOR PALESTINE REFUGEES)
UNTAB	UNITED NATIONS TECHNICAL ASSISTANCE BUREAU
UNTSO	UNITED NATIONS TRUCE SUPERVISORY ORGANIZATION
UP	UNITED PRESS
US	UNITED STATES
USAF	UNITED STATES AIR FORCE
USDA	UNITED STATES DEPARTMENT OF AGRICULTURE
USSR	UNION OF SOVIET SOCIALIST REPUBLICS
VHF	VERY HIGH FREQUENCY
WEU	WESTERN EUROPEAN UNION
WHO	WORLD HEALTH ORGANIZATION

LISTE DES PERSONNALITÉS¹ LIST OF PERSONS¹

- ADAMS, gouverneur Sherman, adjoint exécutif du président des États-Unis.
- ADAM, Governor Sherman, Executive Assistant to President of United States.
- ADENAUER, Konrad, chancelier de la République fédérale d'Allemagne et ministre des Affaires étrangères (-juin).
- ADENAUER, Konrad, Chancellor of Federal Republic of Germany; and Minister of Foreign Affairs (-June).
- ALI, Mohammad, premier ministre du Pakistan.
- ALI, Mohammad, Prime Minister of Pakistan.
- ALLEN, William Denis, sous-secrétaire adjoint des Affaires étrangères, Foreign Office du Royaume-Uni.
- ALLEN, William Denis, Assistant Under-Secretary of State for Foreign Affairs, Foreign Office of United Kingdom.
- ALLEN, Ward P., conseiller, Nations Unies, Bureau des Affaires européennes, département d'État des États-Unis.
- ALLEN, Ward P., United Nations Adviser, Bureau of European Affairs, Department of State of United States.
- ALPHAND, Hervé, représentant permanent de France, Conseil de l'Atlantique Nord (-sept); représentant permanent auprès des Nations Unies.
- ALPHAND, Hervé, Permanent Representative of France to North Atlantic Council (-Sept.); Permanent Representative to United Nations (Sept.-).
- ALSOP, Stewart, chroniqueur affilié, *New York Herald Tribune*.
- ALSOP, Stewart, Syndicated Columnist, *New York Herald Tribune*.
- ANDERSON, Robert B., secrétaire suppléant à la Défense des États-Unis.
- ANDERSON, Robert B., Deputy Secretary of Defense of United States.
- ARMSTRONG, D.S., délégué commercial, Singapour.
- ARMSTRONG, D.S., Trade Commissioner, Singapore.
- ARMSTRONG, E.B., sous-ministre adjoint de la Défense nationale.
- ARMSTRONG, E.B., Assistant Deputy Minister of National Defence.
- ARMSTRONG, Willis, directeur suppléant, Bureau du Commerce international et des Ressources, département d'État des États-Unis.
- ARMSTRONG, Willis, Deputy Director, Office of International Trade and Resources, Department of State of United States.
- BALDWIN, J.R., sous-ministre des Transports.
- BALDWIN, J.R., Deputy Minister of Transport.
- BALLACHEY, Frank G., conseiller au commissaire canadien, CISC, Laos.
- BALLACHEY, Frank G., Adviser to Canadian Commissioner, ICSC, Laos.
- BANERJI, P.K., commissaire d'Inde, CISC, Laos.
- BANERJEE, P.K., Indian Commissioner, ICSC, Laos.
- BARNETT, Robert W., Bureau des Affaires régionales de l'Europe de l'Ouest, département d'État des États-Unis.
- BARNETT, Robert W., Office of Western European Regional Affairs, Department of State of United States.
- BARTON, W.H., 1^{re} Direction de liaison avec la Défense; secrétaire canadien, Commission permanente canado-américaine de défense.
- BARTON, W.H., Defence Liaison (1) Division; Canadian Secretary, Permanent Joint Board on Defence.
- BATEMAN, George, membre, Commission de contrôle de l'énergie atomique.
- BATEMAN, George, Member, Atomic Energy Control Board.
- BEAM, Jacob D., directeur, Bureau de l'Europe de l'Est, département d'État des États-Unis (mars-oct.); sous-secrétaire d'État adjoint aux Affaires européennes.
- BEAM, Jacob D., Director of Office of Eastern European Affairs, Department of State of United States (Mar.-Oct.); Deputy Assistant Secretary of State for European Affairs.

¹Ceci est une sélection des principales personnalités canadiennes et de certaines personnalités de l'étranger souvent mentionnées dans les documents. Les notices biographiques se limitent aux fonctions qui se rapportent aux documents reproduits dans ce volume.

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

- BEAUDRY, Guy V., conseiller au commissaire canadien, CISC, Hanoi (fév.-).
- DE BEAUFORT, voir Grout de Beaufort.
- BECH, Joseph, premier ministre du Luxembourg.
- BECHHOEFER, B.G., Affaires de sécurité internationale, Bureau des Affaires politiques et de sécurité des Nations Unies, département d'État des États-Unis.
- BELAÚNDE, Dr. Victor A., chef, délégation de Pérou à l'Assemblée générale des Nations Unies et président, Comité des bons offices.
- BEN GOURION, David, ministre de la Défense (fév.-) et premier ministre (nov.-) d'Israël.
- BENNETT, W.J., président, Énergie atomique du Canada Ltée.
- BENSON, Ezra Taft, secrétaire à l'Agriculture des États-Unis.
- BEYEN, Johan W., ministre des Affaires étrangères des Pays-Bas.
- BHABHA, Dr. Homi J., président, Atomic Energy Commission of India et président, Conférence internationale d'Énergie atomique.
- BILLOTTE, général Pierre, ministre de la Défense de France (oct.-).
- BIRGI, Nuri, ambassadeur de Turquie en France.
- BLANK, Theodor, ministre de la Défense de la République fédérale d'Allemagne (juin-).
- BLANKENHORN, Herbert A.H., représentant permanent de la République fédérale de l'Allemagne auprès du Conseil de l'Atlantique Nord.
- BOGART, Philip S., attaché pour les transports et les communications, ambassade des États-Unis.
- BOHLEN, Charles E., ambassadeur des États-Unis en Union soviétique.
- BOULGANIN, N.A., président, Conseil des ministres de l'Union soviétique.
- BOURBONNIÈRE, C.E., conseiller au commissaire canadien, CISC, Cambodge (mai-).
- BRADLEY, général Omar N., président, Comité des chefs d'état-major des États-Unis.
- VON BRETANO, Heinrich, ministre des Affaires étrangères de la République fédérale d'Allemagne (juin-).
- BRIDLE, Paul, Direction économique (-oct.); commissaire, CISC, Laos.
- BROADBRIDGE, A.F., Direction de l'Amérique.
- BROOK, sir Norman, secrétaire du Cabinet du Royaume-Uni.
- BEAUDRY, Guy V., Adviser to Canadian Commissioner, ICSC, Hanoi (Feb.-).
- DE BEAUFORT, See Grout de Beaufort.
- BECH, Joseph, Prime Minister of Luxembourg.
- BECHHOEFER, B.G., International Security Affairs, Office of United Nations Political and Security Affairs, Department of State of United States.
- BELAÚNDE, Dr. Victor A., Chairman, Delegation of Peru to United Nations General Assembly and Chairman, Committee of Good Offices.
- BEN GURION, David, Minister of Defence of Israel (Feb.-), and Prime Minister (Nov.-).
- BENNETT, W.J., President, Atomic Energy of Canada Ltd.
- BENSON, Ezra Taft, Secretary of Agriculture of United States.
- BEYEN, Johan W., Minister of Foreign Affairs of The Netherlands.
- BHABHA, Dr. Homi J., Chairman, Atomic Energy Commission of India, and President of International Atomic Energy Conference.
- BILLOTTE, General Pierre, Minister of Defence of France (Oct.-).
- BIRGI, Nuri, Ambassador of Turkey in France.
- BLANK, Theodor, Minister of Defence of Federal Republic of Germany (June-).
- BLANKENHORN, Herbert A.H., Permanent Representative of Federal Republic of Germany to North Atlantic Council.
- BOGART, Philip S., Transport and Communications Attaché, Embassy of United States.
- BOHLEN, Charles E., Ambassador of United States in Soviet Union.
- SEE Bulganin
- BOURBONNIÈRE, C.E., Adviser to Canadian Commissioner, ICSC, Cambodia (May-).
- BRADLEY, General Omar N., Chairman, Joint Chiefs of Staff of United States.
- VON BRETANO, Heinrich, Minister of Foreign Affairs of Federal Republic of Germany (June-).
- BRIDLE, Paul, Economic Division (-Oct.); Commissioner, ICSC, Laos.
- BROADBRIDGE, A.F., American Division.
- BROOK, Sir Norman, Secretary to Cabinet of United Kingdom.

- BROWN, Elizabeth Ann, Bureau des affaires politiques et de sécurité des Nations Unies, Direction des Affaires des organisations internationales, département d'État des États-Unis.
- BROWNELL, Herbert, procureur général des États-Unis.
- BRYCE, R.B., greffier du Conseil privé et secrétaire du Cabinet.
- VOIR Boulganin
- BULL, W.F., sous-ministre du Commerce.
- BURGESS, W. Randolph, sous-secrétaire du Trésor pour les Affaires monétaires, département du Trésor des États-Unis.
- BURMEISTER, Gustave, administrateur assistant pour la politique et l'analyse du commerce agricole, Service agricole étranger, département de l'Agriculture des États-Unis.
- BURNS, Dr. Arthur, président, Conseil des conseillers économiques au président des États-Unis.
- BURNS, général E.L.M., chef d'état-major, organisme des Nations Unies chargé de la surveillance de la trêve.
- BURY, L.H.E., directeur exécutif australien et gouverneur suppléant, Fonds monétaire international.
- BUTLER, R.A., chancelier de l'Échiquier du Royaume-Uni.
- BUTTERWORTH, W. Walton, chef de mission adjoint, ambassade des États-Unis au Royaume-Uni.
- BUTZ, Earl, secrétaire adjoint à l'Agriculture des États-Unis.
- BYRNE, Patricia May, Direction des Philippines et de l'Asie du Sud-Est, département d'État des États-Unis.
- CACCIA, sir Harold, sous-secrétaire d'État suppléant aux Affaires étrangères, Foreign Office du Royaume-Uni.
- CALVET, Pierre L., représentant de France auprès de l'OECE.
- CAMERON, Dr. George, sous-ministre de la Santé nationale et du Bien-être social (Santé).
- CAMPNEY, R.O., ministre de la Défense nationale.
- CARNEY, amiral Robert B., chef des opérations navales des États-Unis (-août).
- CARTER, T. LeM., chef, Direction de l'Amérique (août-).
- BROWN, Elizabeth Ann, Foreign Affairs Officer, Office of United Nations Political and Security Affairs, Bureau of International Organization Affairs, Department of State of United States.
- BROWNELL, Herbert, Attorney General of United States.
- BRYCE, R.B., Clerk of Privy Council and Secretary to Cabinet.
- BULGANIN, N.A., Chairman, Council of Ministers of Soviet Union.
- BULL, W.F., Deputy Minister of Trade and Commerce.
- BURGESS, W. Randolph, Under-Secretary of Treasury for Monetary Affairs, Department of Treasury of United States.
- BURMEISTER, Gustave, Assistant Administrator for Agricultural Trade Policy and Analysis, Foreign Agricultural Service, Department of Agriculture of United States.
- BURNS, Dr. Arthur, Chairman, President's Council of Economic Advisers of United States.
- BURNS, General E.L.M., Chief of Staff, United Nations Truce Supervision Organization.
- BURY, L.H.E., Australian Executive Director and Alternate Governor, IMF.
- BUTLER, R.A., Chancellor of Exchequer of United Kingdom.
- BUTTERWORTH, W. Walton, Deputy Chief of Mission, United States Embassy in United Kingdom.
- BUTZ, Earl, Assistant Secretary of Agriculture of United States.
- BYRNE, Patricia May, Office of Philippine and Southeast Asian Affairs, Department of State of United States.
- CACCIA, Sir Harold, Deputy Under-Secretary of State for Foreign Affairs, Foreign Office of United Kingdom.
- CALVET, Pierre, Representative of France to OEEC.
- CAMERON, Dr. George, Deputy Minister of National Health and Welfare (Health).
- CAMPNEY, R.O., Minister of National Defence.
- CARNEY, Admiral Robert B., Chief of Naval Operations of United States (-Aug.).
- CARTER, T. LeM., Head, American Division (Aug.-).

- CASARDI, Alberico, représentant permanent d'Italie auprès des Nations Unies et délégué d'Italie à l'Assemblée générale des Nations Unies.
- CASEY, Richard G., ministre des Affaires extérieures de l'Australie.
- CASTLE, Lewis, administrateur, St. Lawrence Seaway Corporation des États-Unis.
- CAVELL, R.G. (Nik), administrateur, Direction de la Coopération économique et technique internationale, ministère du Commerce.
- CHAPDELAINÉ, J.A., sous-secrétaire d'État adjoint aux Affaires étrangères.
- CHAPPELL, N.R., attaché à la Production pour la défense, ambassade aux États-Unis.
- CHAU, Nguyen Huu, ministre sans portefeuille de la République du Vietnam.
- CHEVRIER, Lionel, président, Administration de la voie maritime du Saint-Laurent.
- VOIR Tchang Kai-chek.
- CHIDLAW, général Benjamin, général commandant, commandement de la défense continentale aérienne des États-Unis.
- VOIR Tchou En-Lai.
- CHURCHILL, sir Winston S., premier ministre et premier lord du Trésor du Royaume-Uni (-avr.).
- CHUVAHIN, D.S., ambassadeur de l'Union soviétique.
- CLARK, George R., chef, délégation à la conférence sur le phoque à fourrure du Pacifique nord; sous-ministre des Pêcheries.
- COLLINS, R.E., conseiller, haut-commissariat au Royaume-Uni.
- COMAY, MICHAEL S., ambassadeur d'Israël.
- COOMARASWAMY, Raju, secrétaire adjoint du ministère des Finances du Ceylan.
- COOPER, John Sherman, ambassadeur des États-Unis en Inde.
- CORNETT, D.M., Direction du Commonwealth.
- CORSE, Carl, chef, Bureau de la politique commerciale, département d'État des États-Unis.
- CÔTÉ, E.A., chef, Direction de l'Amérique (-août); sous-ministre adjoint, ministère des Affaires du Nord et des Ressources nationales.
- COUILLARD, J. Louis, conseiller, ambassade aux États-Unis.
- COYNE, J.E., gouverneur de la Banque du Canada.
- CASARDI, Alberico, Permanent Representative of Italy to United Nations, and Delegate of Italy to United Nations General Assembly.
- CASEY, Richard G., Minister of External Affairs of Australia.
- CASTLE, Lewis, Administrator, St. Lawrence Seaway Corporation of United States.
- CAVELL, R.G. (Nik), Administrator, International Economic and Technical Cooperation Division, Department of Trade and Commerce.
- CHAPDELAINÉ, J.A., Assistant Under-Secretary of State for External Affairs.
- CHAPPELL, N.R., Attaché (Defence Production), Embassy in United States.
- CHAU, Nguyen Huu, Minister without Portfolio of Republic of Vietnam.
- CHEVRIER, Lionel, President, St. Lawrence Seaway Authority.
- CHIANG KAI-SHEK, Generalissimo, President of Republic of China.
- CHIDLAW, General Benjamin, Commanding General, Continental Air Defense Command of United States.
- CHOU EN-LAI, Prime Minister and Foreign Minister of People's Republic of China.
- CHURCHILL, Sir Winston S., Prime Minister and First Lord of Treasury of United Kingdom (-Apr.).
- CHUVAHIN, D.S., Ambassador of Soviet Union.
- CLARK, George R., Head, Delegation to the North Pacific Fur Seals Conference; Deputy Minister of Fisheries.
- COLLINS, R.E., Counsellor, High Commission in United Kingdom.
- COMAY, Michael S., Ambassador of Israel.
- COOMARASWAMY, Raju, Assistant Secretary, Department of Finance of Ceylon.
- COOPER, John Sherman, Ambassador of United States in India.
- CORNETT, D.M., Commonwealth Division.
- CORSE, Carl, Chief, Commercial Policy Staff, Department of State of United States.
- CÔTÉ, E.A., Head, American Division (-Aug.); Assistant Deputy Minister, Department of Northern Affairs and National Resources.
- COUILLARD, J. Louis, Counsellor, Embassy in United States.
- COYNE, J.E., Governor of Bank of Canada.

- CREAN, G.G., chef, 2^{ème} Direction de liaison avec la Défense.
- CREA DE IONGH, D., directeur exécutif des Pays-Bas, Fonds monétaire international.
- CRÉPAULT, A.R., conseiller au commissaire canadien, CISC, Vietnam (-nov.).
- CROMBIE, G.E., conseiller, haut-commissariat du Royaume-Uni.
- CROSTHWAITE, P. Moore, représentant permanent suppléant du Royaume-Uni auprès des Nations Unies.
- CROWE, Marshall, conseiller, délégation permanente auprès des Nations Unies.
- CUNHA, Paolo, ministre des Affaires étrangères du Portugal.
- CYRANKIEWICZ, Jozef, premier ministre de la Pologne.
- DANIELIAN, N.R., président, Association des Grands-Lacs et du Saint-Laurent.
- DANKWORT, Dr. Werner, ambassadeur de la République fédérale d'Allemagne.
- DARIDAN, Jean H., directeur général adjoint, Affaires politiques, ministère des Affaires étrangères de la France.
- DAVIS, J.H., représentant du Canadair en Europe.
- DEAN, Patrick, sous-secrétaire d'État adjoint aux Affaires étrangères, Foreign Office du Royaume-Uni.
- DELISLE, Jean-Louis, chargé d'Affaires, ambassade en Pologne.
- DESAI, M.J., commissaire de l'Inde, CISC, Vietnam; secrétaire des relations avec le Commonwealth de l'Inde (sept.-).
- DESHMUKH, sir Chintaman, ministre des Finances de l'Inde.
- DEUTSCH, John J., sous-ministre adjoint, ministère des Finances.
- DHARGALKAR, majeur-général K.P., membre d'Inde, Comité des conseillers militaires et commissaire suppléant, CISC, Vietnam.
- DIEM, Ngo Dinh, président de la République du Vietnam.
- DIRKSEN, sénateur Everett, (R-Illinois).
- DIXON, sir Pierson, représentant permanent du Royaume-Uni auprès des Nations Unies.
- DONNER, Otto, directeur suppléant de la République fédérale d'Allemagne, Fonds monétaire international.
- DRURY, C.M., sous-ministre de la Défense nationale (-août).
- CREAN, G.G., Head, Defence Liaison (2) Division.
- CREA DE IONGH, D., Netherlands Executive Director, IMF.
- CRÉPAULT, A.R., Adviser to Canadian Commissioner, ICSC, Vietnam (-Nov.).
- CROMBIE, G.E., Counsellor, High Commission of United Kingdom.
- CROSTHWAITE, P. Moore, Deputy Permanent Representative of United Kingdom to United Nations.
- CROWE, Marshall A., Adviser, Permanent Delegation to United Nations.
- CUNHA, Paolo, Foreign Minister of Portugal.
- CYRANKIEWICZ, Jozef, Premier of Poland
- DANIELIAN, N.R., President, Great Lakes-St. Lawrence Association.
- DANKWORT, Dr. Werner, Ambassador of Federal Republic of Germany.
- DARIDAN, Jean H., Assistant Director General of Political Affairs, Ministry of Foreign Affairs of France.
- DAVIS, J.H., European Representative of Canadair.
- DEAN, Patrick, Assistant Under-Secretary of State for Foreign Affairs, Foreign Office of United Kingdom.
- DELISLE, Jean-Louis, Chargé d'Affaires, Embassy in Poland.
- DESAI, M.J., Indian Commissioner, ICSC, Vietnam; Commonwealth Secretary of India (Sep.-).
- DESHMUKH, Sir Chintaman, Minister of Finance of India.
- DEUTSCH, John J., Assistant Deputy Minister, Department of Finance.
- DHARGALKAR, Major-General K.P., Indian member of Military Advisers' Committee and Alternate Commissioner, ICSC, Vietnam.
- DIEM, Ngo Dinh, President of Republic of Vietnam.
- DIRKSEN, Senator Everett (R-Illinois).
- DIXON, Sir Pierson, Permanent Representative of United Kingdom to United Nations.
- DONNER, Otto, Alternate Director for Federal Republic of Germany, IMF.
- DRURY, C.M., Deputy Minister of National Defence (-Aug.).

- DUDER, R., commissaire canadien, CISC, Cambodge.
- DULLES, John Foster, secrétaire d'État des États-Unis.
- DUNN, brigadier, M.S., conseiller militaire supérieur au commissaires canadiens, CISC, Indochine.
- DUPUY, Pierre, ambassadeur en Italie.
- DUTT, Subimal, secrétaire des relations avec le Commonwealth de l'Inde (-sept.); secrétaire aux Affaires étrangères.
- DWYER, P.M., secrétariat du Bureau du Conseil privé.
- EDEN, sir Anthony, Foreign Secretary du Royaume-Uni (-avr.); premier ministre du Royaume-Uni.
- EISENHOWER, Dwight D., président des États-Unis.
- ELBRICK, C.B., sous-secrétaire d'État adjoint aux Affaires européennes, département d'État des États-Unis.
- ELLIS-REES, sir Hugh, délégué permanent du Royaume-Uni auprès de l'OECE; président officiel de l'OECE.
- ENGLISH, J.H., directeur du service des commissaires commerciaux du ministère du Commerce.
- ENTEZAM, Nazrollah, représentant de l'Iran auprès des Nations Unies.
- FADDEN, sir Arthur, ministre des Finances d'Australie.
- FARLEY, Philip J., adjoint de l'assistant spécial du secrétaire d'État des États-Unis sur les questions d'énergie atomique.
- FARQUHARSON, R.A., agent pour l'Information, ambassade aux États-Unis.
- FAURE, Edgar, ministre des Affaires étrangères de France (-fév.); premier ministre de France.
- FAWZI, Dr. Mahmoud, ministre des Affaires étrangères d'Égypte.
- FLEMMING, Dr. Arthur S., directeur, Bureau de mobilisation pour la défense des États Unis.
- FORD, R.A.D., chef, Direction européenne.
- FORSYTH, William D., délégation d'Australie à l'Assemblée générale des Nations Unies.
- FORTIER, colonel Laval, sous-ministre de la Citoyenneté et de l'Immigration.
- FOULKES, lieutenant-général Charles, président du Comité des chefs d'état-major.
- FREIFELD, S.A., Direction de l'Amérique et chef du service de presse.
- DUDER, R., Canadian Commissioner, ICSC, Cambodia.
- DULLES, John Foster, Secretary of State of United States.
- DUNN, Brigadier M.S., Senior Military Advisor to Canadian Commissioners, ICSC for Indochina.
- DUPUY, Pierre, Ambassador in Italy.
- DUTT, Subimal, Commonwealth Secretary of India (-Sep.); Foreign Secretary.
- DWYER, P.M., Secretariat of Privy Council Office.
- EDEN, Sir Anthony, Foreign Secretary of United Kingdom (-Apr.); Prime Minister of United Kingdom.
- EISENHOWER, Dwight D., President of United States.
- ELBRICK, C.B., Deputy Assistant Secretary of State for European Affairs, Department of State of United States.
- ELLIS-REES, Sir Hugh, Permanent Delegate of United Kingdom to OEEC; Official Chairman, OEEC.
- ENGLISH, J.H., Director of Trade Commissioner Service, Department of Trade and Commerce.
- ENTEZAM, Nazrollah, Representative of Iran to United Nations.
- FADDEN, Sir Arthur, Minister of Finance of Australia.
- FARLEY, Philip J., Deputy to Special Assistant to Secretary of State of United States for Atomic Energy Affairs.
- FARQUHARSON, R.A., Information Officer, Embassy in United States.
- FAURE, Edgar, Foreign Minister of France (-Feb.); Prime Minister of France.
- FAWZI, Dr. Mahmoud, Foreign Minister of Egypt.
- FLEMMING, Dr. Arthur S., Director, Office of Defense Mobilization of United States.
- FORD, R.A.D., Head, European Division.
- FORSYTH, William D., Delegation of Australia to United Nations General Assembly.
- FORTIER, Colonel Laval, Deputy Minister of Citizenship and Immigration.
- FOULKES, Lt.-Gen. Charles, Chairman, Chiefs of Staff Committee.
- FREIFELD, S.A., American Division and Head of Press Office.

- FREITAS-VALLE, Cyro de, délégation du Brésil à l'Assemblée générale des Nations Unies.
- FROST, Leslie M., premier ministre de l'Ontario.
- GARDINER, J.G., ministre de l'Agriculture.
- GARSON, S.S., ministre de la Justice.
- GASKELL, E.F., Bureau du Conseil privé.
- GEORGE, sénateur Walter F., (D-Georgia), président, Comité des relations étrangères du Sénat des États-Unis.
- GIAP. VOIR Vo Nguyen Giap.
- GLAZEBROOK, G.P. de T., ministre, ambassade aux États-Unis.
- GOLDEN, D.A., sous-ministre de la Production pour la défense.
- GREEN, Howard, député (c-p Vancouver-Quadra).
- GREY, Gordon, secrétaire adjoint à la Défense (Affaires de sécurité internationale) des États-Unis.
- GROTEWOHL, Otto, premier ministre de la République démocratique d'Allemagne.
- GROUT DE BEAUFORT, général Guy, chef, mission française de la liaison avec la CISC, Vietnam.
- GRUENTHER, lieutenant-général A.M., commandant suprême des Forces alliées en Europe.
- GUDMUNSSON, Dr. Kristinn, ministre des Affaires étrangères d'Island.
- GUIRINGAUD, Louis de, représentant suppléant, délégation de France auprès des Nations Unies (oct.-).
- HADWEN, J.G., Direction du Commonwealth.
- VON HALLSTEIN, Dr. Walter, secrétaire d'État de la République fédérale d'Allemagne.
- HAMMARSKJÖLD, Dag, secrétaire général des Nations Unies.
- HANNAH, Dr. John A., secrétaire adjoint à la Défense des États-Unis; président, section américaine, Commission permanente canado-américaine de défense.
- HARCOURT, Lord, directeur exécutif du Royaume-Uni, Fonds monétaire international.
- HARRINGTON, J., Direction économique.
- HARRIS, W.E., ministre des Finances.
- HAUGE, Gabriel, secrétaire d'État adjoint aux Affaires économiques des États-Unis.
- HAYTER, sir William G., ambassadeur du Royaume-Uni en Union soviétique.
- HÉBERT, Charles P., ambassadeur en Belgique.
- HEENEY, A.D.P., ambassadeur aux États-Unis.
- FREITAS-VALLE, Cyro de, Delegation of Brazil to United Nations General Assembly.
- FROST, Leslie M., Premier of Ontario.
- GARDINER, J.G., Minister of Agriculture.
- GARSON, S.S., Minister of Justice.
- GASKELL, E.F., Privy Council Office.
- GEORGE, Senator Walter F. (D-Georgia), Chairman, Senate Foreign Relations Committee of United States.
- GIAP. SEE Vo Nguyen Giap.
- GLAZEBROOK, G.P. de T., Minister, Embassy in United States.
- GOLDEN, D.A., Deputy Minister, Department of Defence Production.
- GREEN, Howard, M.P., (PC-Vancouver-Quadra).
- GREY, Gordon, Assistant Secretary of Defense for International Security Affairs of United States.
- GROTEWOHL, Otto, Premier of German Democratic Republic.
- GROUT DE BEAUFORT, General Guy, Head, French Liaison Mission to ICSC in Vietnam.
- GRUENTHER, Lt.-Gen. A.M., Supreme Allied Commander in Europe.
- GUDMUNDSSON, Dr. Kristinn, Minister of Foreign Affairs of Iceland.
- GUIRINGAUD, Louis de, Alternate Representative, Delegation of France to United Nations (Oct.-).
- HADWEN, J.G., Commonwealth Division.
- VON HALLSTEIN, Dr. Walter, Secretary of State of Federal Republic of Germany.
- HAMMARSKJÖLD, Dag, Secretary General of United Nations.
- HANNAH, Dr. John A., Assistant Secretary of Defense of United States; United States Chairman, PJBD.
- HARCOURT, Lord, United Kingdom Executive Director, IMF.
- HARRINGTON, J., Economic Division.
- HARRIS, W.E., Minister of Finance.
- HAUGE, Gabriel, Assistant Secretary of State for Economic Affairs of United States.
- HAYTER, Sir William G., Ambassador of United Kingdom in Soviet Union.
- HÉBERT, Charles P., Ambassador in Belgium.
- HEENEY, A.D.P., Ambassador in United States.

- HENRY, R.A.C., membre, section canadienne, Commission mixte d'ingénieurs du fleuve Saint-Laurent.
- HO CHI MINH, président, République démocratique du Vietnam.
- HOEY, Robert E., agent responsable des affaires du Vietnam, Laos et Cambodge, département d'État des États-Unis (-déc.).
- HOLLAND, Sydney, premier ministre de la Nouvelle-Zélande.
- HOLMES, John W., sous-secrétaire d'État adjoint aux Affaires étrangères.
- HOOD, Lord, sous-secrétaire d'État adjoint aux Affaires extérieures du Royaume-Uni.
- HOOTON, F.G., conseiller, délégation permanente auprès du Conseil de l'Atlantique nord et de l'OECE.
- HOOVER, Herbert Jr., sous-secrétaire d'État des États-Unis.
- HOPPER, Dr. W.C., conseiller (Agriculture), ambassade aux États-Unis.
- HORSEY, Outerbridge, section des affaires canadiennes, Bureau des affaires du Commonwealth et de l'Europe du Nord, Direction des affaires européennes, département d'État des États-Unis (-juillet); directeur, Bureau des affaires du Commonwealth et de l'Europe du Nord, Direction des affaires européennes.
- HOWE, C.D., ministre du Commerce et ministre de la Production pour la défense.
- HUGGINS, sir Godfrey, premier ministre, Fédération de Rhodésie et du Nyasaland.
- HUMPHREY, George M., secrétaire au Trésor des États-Unis.
- IGNATIEFF, George, chef, 1^{re} Direction de liaison avec la Défense.
- ISBISTER, C.M., directeur, Direction générale des Relations commerciales internationales, ministère du Commerce.
- ISMAY, Lord, secrétaire général, OTAN.
- JAMALI, Mohammed Fadil al-, représentant permanent d'Irak auprès des Nations Unies.
- JOHNSON, David M., représentant permanent auprès des Nations Unies (-juil.); commissaire, CISC, Vietnam (sept.-).
- JORDAN, gouverneur Leonard, président, section des États-Unis, Commission mixte internationale.
- KABANOV, I.G., ministre du Commerce étrangère de l'Union soviétique.
- HENRY, R.A.C., Member, Canadian Section, St. Lawrence River Joint Board of Engineers.
- HO CHI MINH, President, Democratic Republic of Vietnam.
- HOEY, Robert E., Officer-in-Charge, Vietnam-Laos-Cambodia Affairs, Department of State of United States (-Dec.).
- HOLLAND, Sydney, Prime Minister of New Zealand.
- HOLMES, John W., Assistant Under-Secretary of State for External Affairs.
- HOOD, Lord, Assistant Under-Secretary of State for Foreign Affairs of United Kingdom.
- HOOTON, F.G., Adviser, Permanent Delegation to North Atlantic Council and OEEC.
- HOOVER, Herbert Jr., Under-Secretary of State of United States.
- HOPPER, Dr. W.C., Agricultural Counsellor, Embassy in United States.
- HORSEY, Outerbridge, Canadian Desk, Office of British Commonwealth and Northern European Affairs, Bureau of European Affairs, Department of State of United States (-July); Director, Office of British Commonwealth and Northern European Affairs, Bureau of European Affairs.
- HOWE, C.D., Minister of Trade and Commerce and Minister of Defence Production.
- HUGGINS, Sir Godfrey, Prime Minister, Federation of Rhodesia and Nyasaland.
- HUMPHREY, George M., Secretary of Treasury of United States.
- IGNATIEFF, George, Head, Defence Liaison (1) Division.
- ISBISTER, C.M., Director, International Trade Relations Branch, Department of Trade and Commerce.
- ISMAY, Lord, Secretary-General, NATO.
- JAMALI, Mohammed Fadil al-, Permanent Representative of Iraq to United Nations.
- JOHNSON, David M., Permanent Representative to United Nations (-July); Commissioner, ICSC, Vietnam (Sept.-).
- JORDAN, Governor Leonard, Chairman, U.S. Section, International Joint Commission.
- KABANOV, I.G., Minister of Foreign Trade of Soviet Union.

- KAFTANOV, Sergei V., premier sous-ministre pour le Culture de l'Union soviétique.
- KAGANOVITCH, L.M., membre, Présidium du Comité central du Parti communiste de l'Union soviétique.
- KALELKAR, S.D., commissaire de l'Inde, CISC, Cambodge.
- KALJARVI, Thorsten V., sous-secrétaire d'État adjoint aux Affaires économiques, département d'État des États-Unis.
- KATAY, D. Sasorith, premier ministre du Laos.
- KATTENBURG, Paul M. spécialiste de la recherche sur le renseignement, Direction de la recherche pour l'Extrême-Orient, Bureau de la recherche sur le renseignement, département d'État des États-Unis (-juin); affecté à Saïgon (juin-sept.); agent responsable des affaires du Vietnam (nov.-).
- KEOGH, P.J., directeur suppléant du Royaume-Uni, Fonds monétaire international.
- KHROUCHTCHEV, N.S., premier secrétaire du Comité central du Parti communiste de l'Union soviétique.
- KIRKWOOD, D.H.W., Direction économique.
- KIRKWOOD, K.P., ambassadeur en Égypte.
- KIRPAL, major-général P.N., conseiller militaire, commission de l'Inde, CISC, Laos (mai-nov.); conseiller militaire, commission de l'Inde, CISC, Cambodge.
- KNOWLES, Stanley, député, (FCC-Winnipeg North Centre).
- KONDO, Shinichiro, délégation du Japon à la Conférence du GATT.
- KOTELAWELA, sir John, premier ministre et ministre de la Défense du Ceylan.
- KULLAR, brigadier G.I.S., conseiller militaire, commission de l'Inde, CISC, Cambodge (sept.-nov.).
- KUZNETSOV, V.V., premier sous-ministre des Affaires étrangères de l'Union soviétique et chef, délégation de l'Union soviétique à l'Assemblée générale des Nations Unies.
- LAITHWAITE, sir Gilbert, sous-secrétaire d'État permanent, Bureau des Relations avec le Commonwealth du Royaume-Uni.
- LANGE, Halvard M., ministre des Affaires étrangères de la Norvège.
- DE LARGENTAYE, Jean, directeur français, Fonds monétaire international.
- LEE, sir Frank, chambre de commerce du Royaume-Uni.
- KAFTANOV, Sergei V., First Deputy Minister of Culture of Soviet Union.
- KAGANOVICH, L.M., Member, Presidium of Central Committee of Communist Party of Soviet Union.
- KALELKAR, S.D., Indian Commissioner, ICSC, Cambodia.
- KALJARVI, Thorsten V., Deputy Assistant Secretary of State for Economic Affairs, Department of State of United States.
- KATAY, D. Sasorith, Prime Minister of Laos.
- KATTENBURG, Paul M., Intelligence Research Specialist, Division of Research for Far East, Office of Intelligence Research, Department of State of United States (-June); detailed to Saigon (June-Sept.); Officer-in-Charge of Vietnam Affairs (Nov.-).
- KEOGH, P.J., United Kingdom Alternate Director, IMF.
- KHRUSHCHEV, N.S., First Secretary of the Central Committee of Communist Party of Soviet Union.
- KIRKWOOD, D.H.W., Economic Division.
- KIRKWOOD, K.P., Ambassador in Egypt.
- KIRPAL, Major-General P.N., Military Adviser, Indian Commission ICSC, Laos (May-Nov.); Military Adviser, Indian Commission, ICSC, Cambodia.
- KNOWLES, Stanley, M.P. (CCF-Winnipeg North Centre).
- KONDO, Shinichiro, Delegation of Japan to GATT Conference.
- KOTELAWELA, Sir John, Prime Minister and Minister of Defence of Ceylon.
- KULLAR, Brigadier, G.I.S., Military Adviser, Indian Commission, ICSC, Cambodia (Sept.-Nov.).
- KUZNETSOV, V.V., First Deputy Minister of Foreign Affairs of Soviet Union and Head, Delegation of Soviet Union to United Nations General Assembly.
- LAITHWAITE, Sir Gilbert, Permanent Under-Secretary of State, Commonwealth Relations Office of United Kingdom.
- LANGE, Halvard M., Minister of Foreign Affairs of Norway.
- DE LARGENTAYE, Jean, French Director, IMF.
- LEE, Sir Frank, Board of Trade of United Kingdom.

- LÉGER, Jules, sous-secrétaire d'État aux Affaires extérieures.
- LÉGER, Jules, Under-Secretary of State for External Affairs.
- LENG NGETH, premier ministre du Cambodge (-sept.).
- LENG NGETH, Prime Minister of Cambodia (-Sept.).
- LEPAN, D.V., ministre-conseiller, ambassade aux États-Unis.
- LEPAN, D.V., Minister-Counsellor, Embassy in United States.
- LESAGE, Jean, ministre des Affaires du Nord et des Ressources nationales.
- LESAGE, Jean, Minister of Northern Affairs and National Resources.
- LETT, Sherwood, commissaire, CISC, Vietnam (-juil.).
- LETT, Sherwood, Commissioner, ICSC, Vietnam (-July).
- LEWIS, Dr. William B., Vice-Président pour la recherche et le développement, Énergie atomique du Canada Ltée.
- LEWIS, Dr. William B., Vice-President of Research and Development, Atomic Energy of Canada Ltd.
- LLOYD, John Selwyn, ministre d'État aux Affaires étrangères du Royaume-Uni (-avr.); ministre de la Défense du Royaume-Uni.
- LLOYD, John Selwyn, Minister of State for Foreign Affairs of United Kingdom (-Apr.); Minister of Defence of United Kingdom.
- LOBATCHEV, A.I., conseiller commercial, ambassade de l'Union soviétique.
- LOBATCHEV, A.I., Commercial Counsellor, Embassy of Soviet Union.
- LODGE, Henry Cabot, Jr., représentant permanent des États-Unis auprès des Nations Unies.
- LODGE, Henry Cabot, Jr., Permanent Representative of United States to United Nations.
- LYONS, Daniel M. délégation des États-Unis à la Conférence du GATT.
- LYONS, Daniel M., Delegation of United States to GATT Conference.
- MACARTHUR, Douglas Jr., conseiller, département d'État des États-Unis.
- MACARTHUR, Douglas Jr., Counsellor, Department of State of United States.
- MACDERMOT, T.W.L., ambassadeur en Israël.
- MACDERMOT, T.W.L., Ambassador in Israel.
- MACDONALD, Malcolm, commissaire général du Royaume-Uni en Asie du Sud-Est.
- MACDONALD, Malcolm, Commissioner General for the United Kingdom in Southeast Asia.
- MACDONNELL, R.M., sous-secrétaire d'État suppléant aux Affaires extérieures.
- MACDONNELL, R.M., Deputy Under-Secretary of State for External Affairs.
- MACFARQUHAR, sir Alexander, représentant du Bureau de l'assistance technique des Nations Unies en Asie du Sud-Est.
- MACFARQUHAR, Sir Alexander, Representative of United Nations Technical Assistance Bureau in Southeast Asia.
- MACKAY, R.A., sous-secrétaire d'État adjoint aux Affaires extérieures (-juil.); représentant permanent auprès des Nations Unies.
- MACKAY, R.A., Associate Under-Secretary of State for External Affairs (-July); Permanent Representative to United Nations.
- MACMILLAN, Harold, ministre de la Défense du Royaume-Uni (-avr.); Foreign Secretary du Royaume-Uni.
- MACMILLAN, Harold, Minister of Defence of United Kingdom (-Apr.); Foreign Secretary of United Kingdom.
- MAKINS, sir Roger, ambassadeur du Royaume-Uni aux États-Unis.
- MAKINS, Sir Roger, Ambassador of United Kingdom in United States.
- MALIK, Y.A. ambassadeur de l'Union soviétique au Royaume-Uni et délégué à l'Assemblée générale des Nations Unies.
- MALIK, Y.A., Ambassador of Soviet Union to United Kingdom, and Delegate to United Nations General Assembly.
- MALENKOV, G.M., président, Présidium du Conseil des ministres de l'Union soviétique (-fév.).
- MALENKOV, G.M., Chairman, Presidium of Council of Ministers of Soviet Union (-Feb.).
- MAO TSE TOUNG, président du Parti communiste de la République populaire de Chine.
- MAO TSE TUNG, Chairman, Communist Party of People's Republic of China.
- MARJOLIN, Robert E., secrétaire général de l'OECE.
- MARJOLIN, Robert E., Secretary-General, OEEC.
- MARLER, George C., ministre des Transports.
- MARLER, George C., Minister of Transport.

- MARSHALL, David S., premier ministre et ministre du Commerce et de l'Industrie du Singapour.
- MARTIN, Paul, ministre de la Santé nationale et du Bien-être social et chef, délégation à l'Assemblée générale des Nations Unies.
- MARTIN, W.R., secrétaire adjoint du Cabinet.
- MARTINO, Gaetano, ministre des Affaires étrangères d'Italie.
- MAU, Vu Van, représentant de la République du Vietnam à la Conférence du Bandung (avr.); ministre des Affaires étrangères de la République du Vietnam.
- MAYER, Ernest, conseiller, ambassade des États-Unis.
- MAYRAND, Léon, commissaire canadien, ICSC, Laos (-oct.).
- MAZA, José, chef, délégation du Chili à l'Assemblée générale des Nations Unies et président de l'Assemblée générale.
- MCCANN, J.J., ministre du Revenu national.
- MCCARDLE, J.J., deuxième secrétaire, ambassade aux États-Unis.
- MCCLINTOCK, Robert, ambassadeur des États-Unis au Cambodge.
- MCCONNELL, James A., secrétaire adjoint à l'Agriculture des États-Unis.
- MCIVOR, G.H., commissaire en chef, Commission canadienne du blé.
- MCKINNEY, J.R., Direction de l'Extrême-Orient.
- MCNAMARA, W.C., commissaire en chef adjoint, Commission canadienne du blé.
- MCNAUGHTON, général A.G.L., président, Section canadienne, Commission mixte internationale et président, Section canadienne, Commission permanente canado-américaine de défense.
- MEAGHER, Margaret, premier secrétaire, haut-commissariat au Royaume-Uni.
- MENON, V.K. Krishna, représentant, délégation de l'Inde à l'Assemblée générale des Nations Unies.
- MENZIES, Arthur, chef, Direction de l'Extrême-Orient.
- MENZIES, Robert, premier ministre de l'Australie.
- MERCHANT, Livingston, secrétaire d'État adjoint aux Affaires européennes, département d'État des États-Unis.
- MEYER, P.T., directeur, Bureau exécutif, département d'État des États-Unis.
- MILLER, F.R., sous-ministre de la Défense nationale (août-).
- MARSHALL, David S., Chief Minister and Minister of Commerce and Industry of Singapore.
- MARTIN, Paul, Minister of National Health and Welfare and Head, Delegation to United Nations General Assembly.
- MARTIN, W.R., Assistant Secretary to Cabinet.
- MARTINO, Gaetano, Minister of Foreign Affairs of Italy.
- MAU, Vu Van, Representative of Republic of Vietnam to Bandung Conference (Apr.); Minister of Foreign Affairs of Republic of Vietnam.
- MAYER, Ernest, Counsellor, Embassy of United States.
- MAYRAND, Léon, Canadian Commissioner, ICSC, Laos (-Oct.).
- MAZA, José, Chairman, Delegation of Chile to United Nations General Assembly; President of General Assembly.
- MCCANN, J.J., Minister of National Revenue.
- MCCARDLE, J.J., Second Secretary, Embassy in United States.
- MCCLINTOCK, Robert, Ambassador of United States in Cambodia.
- MCCONNELL, James A., Assistant Secretary of Agriculture of United States.
- MCIVOR, G.H., Chief Commissioner, Canadian Wheat Board.
- MCKINNEY, J.R., Far Eastern Division.
- MCNAMARA, W.C., Assistant Chief Commissioner, Canadian Wheat Board.
- MCNAUGHTON, General A.G.L., Chairman, Canadian Section, International Joint Commission and Chairman, Canadian Section, PJBD.
- MEAGHER, Margaret, First Secretary, High Commission in United Kingdom.
- MENON, V.K. Krishna, Representative, Delegation of India, to United Nations General Assembly.
- MENZIES, Arthur, Head, Far Eastern Division.
- MENZIES, Robert, Prime Minister of Australia.
- MERCHANT, Livingston, Assistant Secretary of State for European Affairs, Department of State of United States.
- MEYER, P.T., Director, Executive Staff, Department of State of United States.
- MILLER, F.R., Deputy Minister of National Defence (Aug.-).

- MILLIKIN, sénateur Eugene D. (R.-Colorado), président, Comité des Finances du Sénat des États-Unis.
- MINER, R.G., agent responsable des affaires du Commonwealth, département d'État des États-Unis.
- MOCH, Jules, représentant permanent de France, Commission du désarmement.
- MOLOTOV, V.M., ministre des Affaires étrangères de l'Union soviétique et premier vice-président du Conseil des ministres.
- MORSE, True, sous-secrétaire à l'Agriculture des États-Unis.
- MUNRO, L.K., ambassadeur de la Nouvelle-Zélande aux États-Unis; représentant permanent auprès des Nations Unies.
- NAM, colonel Hoang-Thuy, membre du Cabinet présidentiel, République du Vietnam.
- NARASIMHAN, C.V., ministre des Finances de l'Inde.
- NASSER, colonel Gamal Abdel, premier ministre d'Égypte.
- NASZKOWSKI, Marian, vice-ministre des Affaires étrangères de Pologne et membre, délégation de Pologne à l'Assemblée générale des Nations Unies.
- NEHRU, Pandit Jawaharlal, premier ministre de l'Inde.
- NEHRU, R.K., ministre des Affaires extérieures et des Relations avec le Commonwealth de l'Inde.
- NICOLS, Clarence, bureau du Commerce international et des Ressources, département d'État des États-Unis.
- NITZE, Paul, directeur, Groupe de la planification des politiques, département d'État des États-Unis.
- NORSTAD, général Lauris, adjoint Air de l'État-major, Grand Quartier général des puissances alliées en Europe, OTAN
- NOTMAN, J.G., président du Canadair.
- NUTTING, Anthony, ministre d'État des Affaires étrangères du Royaume-Uni et délégué à l'Assemblée générale des Nations Unies.
- OCKRENT, R.A., représentant permanent de Belgique auprès de l'OECE.
- ORDONNEAU, Pierre, conseiller aux Affaires du Conseil de Sécurité, mission de France auprès des Nations Unies.
- PALMER, P.E., expert du Plan du Colombo.
- PANDIT, Vijaya Lakshmi, haut-commissaire de l'Inde au Royaume-Uni.
- MILLIKIN, Senator Eugene D. (R.-Colorado), Chairman, Senate Finance Committee of United States.
- MINER, R.G., Officer-in-Charge of Commonwealth Affairs, Department of State of United States.
- MOCH, Jules, Permanent Representative of France on Disarmament Commission.
- MOLOTOV, V.M., Minister of Foreign Affairs of Soviet Union, First Deputy Chairman, Council of Ministers.
- MORSE, True, Under-Secretary of Agriculture of United States.
- MUNRO, L.K., Ambassador of New Zealand in United States; Permanent Representative to United Nations.
- NAM, Colonel Hoang-Thuy, Presidential Staff of Republic of Vietnam.
- NARASIMHAN, C.V., Minister of Finance of India.
- NASSER, Colonel Gamal Abdel, Prime Minister of Egypt.
- NASZKOWSKI, Marian, Vice Minister of Foreign Affairs of Poland, and member of Delegation of Poland to United Nations General Assembly.
- NEHRU, Pandit Jawaharlal, Prime Minister of India.
- NEHRU, R.K., Minister for External Affairs and Commonwealth Relations of India.
- NICOLS, Clarence, Office of International Trade and Resources, Department of State of United States.
- NITZE, Paul, Director, Policy Planning Staff, Department of State of United States.
- NORSTAD, General Lauris, Air Deputy of Supreme Headquarters, Allied Powers in Europe, NATO.
- NOTMAN, J.G., President of Canadair.
- NUTTING, Anthony, Minister of State for Foreign Affairs of United Kingdom, and Delegate to United Nations General Assembly.
- OCKRENT, R.A., Permanent Representative of Belgium to OECE.
- ORDONNEAU, Pierre, Adviser on Security Council Affairs, Mission of France to United Nations.
- PALMER, P.E., Colombo Plan expert.
- PANDIT, Vijaya Lakshmi, High Commissioner of India to United Kingdom.

- PARODI, Alexandre, représentant permanent de France, Conseil de l'Atlantique Nord (sept.-).
- PARTHASARATHI, G., commissaire de l'Inde, CISC, Cambodge (-oct.); commissaire de l'Inde, CISC, Vietnam (nov.-).
- PATTERSON, Moorehead, représentant des États-Unis aux négociations de l'Agence internationale de l'énergie atomique.
- PEARSON, Lester B., secrétaire d'État aux Affaires extérieures.
- PELLETIER, Paul, secrétaire adjoint du Cabinet.
- PENG TEH-HUAI, ministre de la Défense de la République populaire de Chine.
- PERKINS, George W., représentant permanent des États-Unis, Conseil de l'Atlantique Nord (mars-).
- PHAM VAN DONG, premier ministre et ministre des Affaires étrangères de la République démocratique du Vietnam.
- PHILLIPS, Christopher, sous-secrétaire d'État adjoint aux Affaires des organisations internationales des États-Unis.
- PICKERSGILL, J.W., ministre de la Citoyenneté et de l'Immigration.
- PILLAI, sir R.N., secrétaire général du ministère des Affaires extérieures de l'Inde.
- PINARD, Roch, secrétaire d'État.
- PINAY, Antoine, ministre des Affaires étrangères de France.
- PLOWDEN, sir Edwin, président, Atomic Energy Authority du Royaume-Uni.
- PLUMPTRE, A.F.W., sous-ministre adjoint du ministère des Finances.
- PRASAD, P.S. Narayan, directeur d'Inde, Fonds monétaire international.
- PURNELL, Lewis M., agent responsable des affaires de la Birmanie, département d'État des États-Unis (avr.-).
- QUARLES, Donald A., secrétaire adjoint à la Défense pour la Recherche et le Développement; secrétaire des Forces aériennes des États-Unis (août-).
- RADFORD, amiral A.W., président, Comité des chefs d'état-major des États-Unis.
- RANDALL, Clarence, adjoint spécial au président des États-Unis.
- RASMINSKY, Louis, sous-gouverneur de la Banque du Canada et directeur canadien, Fonds monétaire international.
- READ, T.H.W., Direction du Commonwealth.
- REID, Escott, haut-commissaire en Inde.
- PARODI, Alexandre, Permanent Representative of France to North Atlantic Council (Sept.-).
- PARTHASARATHI, G., Indian Commissioner, ICSC, Cambodia (-Oct.); Indian Commissioner, ICSC, Vietnam (Nov.-).
- PATTERSON, Moorehead, Representative of United States at International Atomic Energy Agency negotiations.
- PEARSON, Lester B., Secretary of State for External Affairs.
- PELLETIER, Paul, Assistant Secretary to Cabinet.
- PENG TEH-HUAI, Minister of Defense, People's Republic of China.
- PERKINS, George W., Permanent Representative of United States to North Atlantic Council (Mar.-).
- PHAM VAN DONG, Premier and Minister of Foreign Affairs of Democratic Republic of Vietnam.
- PHILLIPS, Christopher, Deputy Assistant Secretary of State for International Organizations Affairs of United States.
- PICKERSGILL, J.W., Minister of Citizenship and Immigration.
- PILLAI, Sir R.N., Secretary-General, Ministry of External Affairs of India.
- PINARD, Roch, Secretary of State.
- PINAY, Antoine, Minister of Foreign Affairs of France.
- PLOWDEN, Sir Edwin, President, Atomic Energy Authority of United Kingdom.
- PLUMPTRE, A.F.W., Assistant Deputy Minister, Department of Finance.
- PRASAD, P.S. Narayan, Indian Director, IMF.
- PURNELL, Lewis M., Officer-in-Charge of Burma Affairs, Department of State of United States (Apr.-).
- QUARLES, Donald A., Assistant Secretary of Defence for Research and Development; Secretary of Air Force of United States (Aug.-).
- RADFORD, Admiral A.W., Chairman, Joint Chiefs of Staff of United States.
- RANDALL, Clarence, Special Assistant to President of United States.
- RASMINSKY, Louis, Deputy Governor of Bank of Canada and Canadian Director, IMF.
- READ, T.H.W., Commonwealth Division.
- REID, Escott, High Commissioner in India.

- REINHARDT, G. Frederick, ambassadeur des États-Unis en République du Vietnam (avr.-).
- REINHARDT, G. Frederick, Ambassador of United States in Republic of Vietnam (Apr.-).
- REWINKEL, Milton C., conseiller, ambassade des États-Unis.
- REWINKEL, Milton C., Counsellor, Embassy of United States.
- RHEE, Syngman, président de la République de Corée.
- RHEE, Syngman, President of Republic of Korea.
- RITCHIE, A.E., chef, Direction économique.
- RITCHIE, A.E., Head, Economic Division.
- RITCHIE, C.S.A., ambassadeur en République fédérale d'Allemagne.
- RITCHIE, C.S.A., Ambassador in Federal Republic of Germany.
- ROBERTSON, N.A., haut-commissaire au Royaume-Uni.
- ROBERTSON, N.A., High Commissioner in United Kingdom.
- ROBERTSON, R.G., sous-ministre des Affaires du Nord et des Ressources nationales.
- ROBERTSON, R.G., Deputy Minister, Northern Affairs and National Resources.
- ROBERTSON, Walter S., secrétaire adjoint aux Affaires de l'Extrême-Orient, département d'État des États-Unis.
- ROBERTSON, Walter S., Assistant Secretary for Far Eastern Affairs, Department of State of United States.
- RONNING, Chester A., ministre en Norvège et en Islande.
- RONNING, Chester A., Minister in Norway and in Iceland.
- ROOTH, Ivar, administrateur gérant, Fonds monétaire international.
- ROOTH, Ivar, Managing Director, IMF.
- ROPER, J.C.A., premier secrétaire, ambassade du Royaume-Uni aux États-Unis et représentant du Royaume-Uni aux négociations de l'Agence internationale de l'énergie atomique.
- ROPER, J.C.A., First Secretary, Embassy of United Kingdom in United States, and Representative of United Kingdom at International Atomic Energy Agency negotiations.
- ROUX, Jean-François, premier secrétaire, mission permanente de France auprès des Nations Unies.
- ROUX, Jean-François, First Secretary of Permanent Mission of France to United Nations.
- ROWAN, Sir Leslie, Conseil du Trésor du Royaume-Uni.
- ROWAN, Sir Leslie, Treasury Board of United Kingdom.
- ROWLEY, G.W., secrétaire, Comité consultatif sur le développement du Nord.
- ROWLEY, G.W., Secretary, Advisory Committee on Northern Development.
- SAINT-LAURENT, Louis S., premier ministre.
- SAINT-LAURENT, Louis S., Prime Minister.
- SAM SARY, vice-premier ministre et ministre des Affaires économiques, des Finances, de la Planification et de l'Éducation nationale du Cambodge (oct.-).
- SAM SARY, Vice Premier and Minister of Economic Affairs, Finance, Planning and National Education of Cambodia (Oct.-).
- SARPER, Selim, représentant de la Turquie auprès des Nations Unies; président, Commission du désarmement (-nov.).
- SARPER, Selim, Representative of Turkey to United Nations; Chairman, Disarmament Commission (-Nov.).
- SASTROAMIDJOJO, Ali, premier ministre de l'Indonésie.
- SASTROAMIDJOJO, Ali, Prime Minister of Indonesia.
- SCHAETZEL, J. Robert, adjoint spécial du secrétaire adjoint aux Affaires économiques, département d'État des États-Unis.
- SCHAETZEL, J. Robert, Special Assistant to Assistant Secretary for Economic Affairs, Department of State of United States.
- SCHWARZMANN, Maurice, directeur adjoint, Direction générale des Relations commerciales internationales, ministère du Commerce, et membre de la délégation à la Conférence du GATT.
- SCHWARZMANN, Maurice, Assistant Director, International Trade Relations Branch, Department of Trade and Commerce, and Delegate to GATT Conference.
- SCOTT, Sir Robert H., ministre, ambassade du Royaume-Uni aux États-Unis.
- SCOTT, Sir Robert H., Minister, Embassy of United Kingdom in United States.

- SEN, Samar, commissaire de l'Inde, CISC, Laos (mai-).
- SHARETT, Moshe, premier ministre d'Israël (-août), et ministre des Affaires étrangères .
- SHARP, M.W., sous-ministre adjoint du Commerce.
- SICOTTE, Gilles, Direction juridique.
- SIHANOUK, Prince Norodom, premier ministre du Cambodge (sept.-).
- SIM, David, sous-ministre du Revenu national.
- SINCLAIR, James, ministre des Pêcheries.
- SLEMON, maréchal de l'air C.R., chef d'état-major aérien.
- SMITH, Arnold, commissaire canadien, CISC, Cambodge (juil.-).
- SMITH, vice-maréchal de l'air, D.M., président, état-major du Canada au Royaume-Uni.
- SMITH, C.E.S., directeur de l'Immigration, ministère de la Citoyenneté et de l'Immigration.
- SMITH, Gerard, adjoint spécial au secrétaire d'État des États-Unis sur les questions atomiques.
- SNOW, major-général T.E.D'O, conseiller militaire; commissaire du Canada, CISC, Cambodge.
- SOBOLEV, Arkadey A., représentant permanent de l'Union soviétique auprès des Nations Unies (mars-), et délégué à l'Assemblée générale des Nations Unies, et représentant de l'Union soviétique, Commission du désarmement (avr.-nov.; président, nov.-).
- SOLANDT, Dr. O.M., président, Conseil de recherches pour la défense.
- SOUTHARD, Frank, directeur exécutif des États-Unis, Fonds monétaire international.
- SOUVANNA PHOUMA, premier ministre suppléant et ministre de la Défense nationale du Laos.
- SOUVANNAVONG, Prince, chef du Pathet Lao au Laos.
- SPAACK, Paul-Henri, ministre des Affaires étrangères de la Belgique.
- SPENDER, sir Percy, ambassadeur d'Australie aux États-Unis et chef de la délégation d'Australie à la Assemblée générale des Nations Unies.
- DE STAERCKE, André, représentant permanent de Belgique auprès du Conseil de l'Atlantique Nord.
- STARKENBORGH, voir Tjarda van Starckenborgh Stachouwer, Alidius.
- STASSEN, Harold, directeur, Administration des opérations étrangères des États-Unis; représentant des États-Unis, Commission du désarmement.
- SEN, Samar, Indian Commissioner, ICSC, Laos (May-).
- SHARETT, Moshe, Prime Minister of Israel(-Aug.); Foreign Minister.
- SHARP, M.W., Associate Deputy Minister of Trade and Commerce.
- SICOTTE, Gilles, Legal Division.
- SIHANOUK, Prince Norodom, Prime Minister of Cambodia (Sept.-).
- SIM, David, Deputy Minister of National Revenue.
- SINCLAIR, James, Minister of Fisheries.
- SLEMON, Air Marshal C.R., Chief of Air Staff.
- SMITH, Arnold, Canadian Commissioner, ICSC, Cambodia (July-).
- SMITH, Air Vice Marshal, D.M., Chairman, Canadian Joint Staff in United Kingdom.
- SMITH, C.E.S., Director of Immigration, Department of Citizenship and Immigration.
- SMITH, Gerard, Special Assistant for Atomic Affairs to the Secretary of State of United States.
- SNOW, Major-General T.E.D'O, Military Adviser; Canadian Commissioner, ICSC, Cambodia.
- SOBOLEV, Arkadey A., Permanent Representative of Soviet Union to United Nations (Mar.-), and Delegate to United Nations General Assembly, and Representative of Soviet Union to Disarmament Commission (Apr.-Nov., Chairman, Nov.-).
- SOLANDT, Dr. O.M., Chairman, Defence Research Board.
- SOUTHARD, Frank, United States Executive Director, IMF.
- SOUVANNA PHOUMA, Deputy Prime Minister and Minister of National Defence of Laos.
- SOUVANNAVONG, Prince, Leader of Pathet Lao in Laos.
- SPAACK, Paul-Henri, Minister of Foreign Affairs of Belgium.
- SPENDER, Sir Percy, Ambassador of Australia in United States; Head, Delegation of Australia to United Nations General Assembly.
- DE STAERCKE, André, Permanent Representative of Belgium to North Atlantic Council.
- STARKENBORGH, see Tjarda van Starckenborgh Stachouwer, Alidius.
- STASSEN, Harold, Director, Foreign Operations Administration of United States; Representative of United States on Disarmament Commission.

- STEEL, sir Christopher, représentant permanent du Royaume-Uni, Conseil de l'Atlantique Nord.
- STEPHENSON, Hugh S., ambassadeur du Royaume-Uni en République du Vietnam.
- STEWART, Hugh A., directeur, Bureau du pétrole et du gaz, département de l'intérieur des États-Unis.
- STUART, R. Douglas, ambassadeur des États-Unis.
- STRAUSS, amiral Lewis L., président, United States Atomic Energy Commission.
- STRAUSS, Franz Josef, ministre des Affaires atomiques de la République fédérale d'Allemagne.
- SULLIVAN, Charles, chef, Direction des politiques, Bureau des Affaires militaires étrangères, département de Défense des États-Unis.
- SWART, Charles R., premier ministre suppléant de l'Afrique du Sud.
- SWINTON, Lord, secrétaire d'État aux Relations avec le Commonwealth du Royaume-Uni.
- TALBOT, Lord, ambassadeur du Royaume-Uni en Laos.
- TAYLOR, K.W., sous-ministre des Finances.
- TCHANG KAI-CHEK, premier général, président de la République de Chine.
- TCHOU EN-LAI, premier ministre et ministre des Affaires étrangères de la République populaire de Chine.
- TEAKLES, J.M., 1^{ère} Direction de liaison avec la Défense.
- TEDLIE, colonel A. James, conseiller militaire adjoint au commissaire canadien, CISC, Vietnam.
- THEOTOKIS, Spyros, ministre des Affaires étrangères de Grèce (oct.-).
- THIBODEAUX, Ben H., directeur, Bureau du commerce international et des ressources, département d'État des États-Unis.
- THOMPSON, Tyler, ministre, ambassade des États-Unis.
- THORNEYCROFT, Peter, président, Chambre de commerce du Royaume-Uni.
- TJARDA VAN STARKENBORGH STACHOUWER, Alidius, représentant permanent des Pays Bas auprès du Conseil de l'Atlantique Nord.
- TOMLINSON, Frank S., chef, département des Affaires d'Asie du Sud-Est, Foreign Office du Royaume-Uni.
- TURGEON, J. G., sénateur.
- U NU, premier ministre de Birmanie.
- STEEL, Sir Christopher, Permanent Representative of United Kingdom to North Atlantic Council.
- STEPHENSON, Hugh S., Ambassador of United Kingdom in Republic of Vietnam.
- STEWART, Hugh A., Director, Office of Oil and Gas, Department of Interior of United States.
- STUART, R. Douglas, Ambassador of United States.
- STRAUSS, Admiral Lewis L., Chairman, United States Atomic Energy Commission.
- STRAUSS, Franz Josef, Minister for Atomic Affairs of Federal Republic of Germany.
- SULLIVAN, Charles, Chief, Policy Division, Office of Foreign Military Affairs, Department of Defense of United States.
- SWART, Charles R., Deputy Prime Minister of South Africa.
- SWINTON, Lord, Secretary of State for Commonwealth Relations of United Kingdom.
- TALBOT, Lord, Ambassador of United Kingdom in Laos.
- TAYLOR, K.W., Deputy Minister of Finance.
- SEE Chiang Kai-shek
- SEE Chou En-Lai
- TEAKLES, J.M., Defence Liaison (1) Division.
- TEDLIE, Colonel A. James, Deputy Military Adviser to Canadian Commissioner, ICSC, Vietnam.
- THEOTOKIS, Spyros, Minister of Foreign Affairs of Greece (Oct.-).
- THIBODEAUX, Ben H., Director, Office of International Trade and Resources, Department of State of United States.
- THOMPSON, Tyler, Minister, Embassy of United States.
- THORNEYCROFT, Peter, President, Board of Trade of United Kingdom.
- TJARDA VAN STARKENBORGH STACHOUWER, Alidius, Permanent Representative of The Netherlands to North Atlantic Council.
- TOMLINSON, Frank S., Head, South East Asia Department, Foreign Office of United Kingdom.
- TURGEON, J.G., Senator.
- U NU, Prime Minister of Burma.

- URRUTIA, Francisco, chef, délégation de la Colombie à l'Assemblée générale des Nations Unies.
- VAN CAMPENHOUT, André, directeur belge, Fonds monétaire international.
- VAN ZEELAND, Paul, ministre du Commerce d'outre-mer de Belgique.
- VEST, George, Section des Affaires canadiennes, Direction des Affaires du Commonwealth, département d'État des États-Unis.
- VO NGUYEN GIAP, général, ministre de la Défense et vice-premier ministre de la République démocratique du Vietnam.
- VOGEL, G.N., chef, Division du blé et des céréales, ministère du Commerce.
- VYCHINSKY, Andreï Y., ancien premier vice-ministre des Affaires étrangères de l'Union soviétique, représentant permanent auprès des Nations Unies et représentant au Conseil de sécurité.
- WAINHOUSE, D.W., sous-secrétaire adjoint pour les affaires des organisations internationales, département d'État des États-Unis.
- WAN WAITHAYAKON, Prince K.N.B., ministre des Affaires étrangères de la Thaïlande; chef, délégation de la Thaïlande à l'Assemblée générale des Nations Unies.
- WARREN, J.H., directeur canadien suppléant, Fonds monétaire international.
- WATKINS, J.B.C., ambassadeur en Union soviétique.
- WAUGH, Samuel C., secrétaire d'État adjoint aux Affaires économiques des États-Unis.
- WEEKS, Sinclair, secrétaire au Commerce des États-Unis.
- WEISS, Arnold, membre de la délégation des États-Unis à la Conférence du GATT.
- WERSHOF, M.H., sous-secrétaire d'État adjoint aux Affaires extérieures et conseiller juridique.
- WHITELY, général sir John F.M., représentant du Royaume-Uni, Groupe permanent de l'OTAN.
- WILEY, sénateur Alexander (R-Wisconsin), président, Comité des relations étrangères du Sénat des États-Unis.
- WILGRESS, L. D., représentant permanent auprès du Conseil de l'Atlantique Nord et de l'OEECE et chef de la délégation à la Conférence du GATT.
- WILLIAMS, B.M., conseiller, haut-commissariat en Inde.
- WILSON, Charles, secrétaire à la Défense des États-Unis.
- URRUTIA, Francisco, Head, Delegation of Colombia to United Nations General Assembly.
- VAN CAMPENHOUT, André, Belgian Director, IMF.
- VAN ZEELAND, Paul, Minister of Overseas Trade of Belgium.
- VEST, George, Canadian Desk, Office of Commonwealth Affairs, Department of State of United States.
- VO NGUYEN GIAP, General, Minister of Defence and Vice-Premier, Democratic Republic of Vietnam.
- VOGEL, G.N., Chief, Wheat and Grain Division, Department of Trade and Commerce.
- VYSHINSKY, Andrei Y., Former First Deputy Minister of Foreign Affairs of Soviet Union, and Permanent Representative to United Nations and Representative on Security Council.
- WAINHOUSE, D.W., Deputy Assistant Secretary for International Organizations Affairs, Department of State of United States.
- WAN WAITHAYAKON, Prince K.N.B., Minister of Foreign Affairs of Thailand; Head, Delegation of Thailand to United Nations General Assembly.
- WARREN, J.H., Alternate Canadian Director, IMF.
- WATKINS, J.B.C., Ambassador in Soviet Union.
- WAUGH, Samuel C., Assistant Secretary of State for Economic Affairs of United States.
- WEEKS, Sinclair, Secretary of Commerce of United States.
- WEISS, Arnold, Delegate of United States to GATT Conference.
- WERSHOF, M.H., Assistant Under-Secretary of State for External Affairs and Legal Advisor.
- WHITELY, General Sir John F.M., Representative of United Kingdom, Standing Group of NATO.
- WILEY, Senator Alexander (R-Wisconsin), Chairman, Senate Foreign Relations Committee of United States.
- WILGRESS, L. D., Permanent Representative to North Atlantic Council and OEEC; Head, Delegation to GATT Conference.
- WILLIAMS, B.M., Counsellor, High Commission in India.
- WILSON, Charles, Secretary of Defense of United States.

WOLNIAK, Zygrfd, commissaire polonais, CISC, Cambodge (avr.-).

WYNDHAM WHITE, Eric, Secrétaire exécutif du GATT.

YAFEH, Aviad, deuxième secrétaire, ambassade d'Israël.

YEH, George K., ministre des Affaires étrangères de la République de Chine et chef, délégation à l'Assemblée générale des Nations Unies.

YOST, Charles W., ministre des États-Unis au Laos (-juil.); ambassadeur au Laos.

YUMOTO, Takeo, directeur japonais, Fonds monétaire international.

ZAMBROWICZ, Janusz, commissaire polonais, CISC, Laos (juil.-).

ZAMYATIN, Leonid M., premier secrétaire, mission permanente de l'Union soviétique auprès des Nations Unies.

ZHUKOV, maréchal Georgi K., ministre de la Défense de l'Union soviétique (fév.-).

ZORIN, Valentin A., ministre suppléant des Affaires étrangères de l'Union soviétique (-nov.).

ZORLU, Fatin Rustu, vice-premier ministre de la Turquie (-août), et ministre d'État (-nov.); ministre par intérim des Affaires étrangères (avr.-nov.).

WOLNIAK, Zygrfd, Polish Commissioner, ICSC, Cambodia (Apr.-).

WYNDHAM WHITE, Eric, Executive Secretary, GATT.

YAFEH, Aviad, Second Secretary, Embassy of Israel.

YEH, George K., Minister of Foreign Affairs of Republic of China, and Chairman of Delegation to United Nations General Assembly.

YOST, Charles W., Minister of United States in Laos (-July); Ambassador to Laos (July-).

YUMOTO, Takeo, Japanese Director of IMF.

ZAMBROWICZ, Janusz, Polish Commissioner, ICSC, Laos (July-).

ZAMYATIN, Leonid M., First Secretary, Permanent Mission of Soviet Union to United Nations.

ZHUKOV, Marshal Georgi K., Minister of Defence of Soviet Union (Feb.-).

ZORIN, Valentin A., Deputy Foreign Minister of Soviet Union (-Nov.).

ZORLU, Fatin Rüstü, Deputy Prime Minister of Turkey (-Aug.), and Minister of State (-Nov.); Acting Minister of Foreign Affairs (Apr.-Nov.).

ILLUSTRATIONS

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PA-201617

L.B. Pearson, Krishna Menon and Arnold Smith leave the minister's offices in the East Block in June 1955.

L.B. Pearson quitte son bureau en compagnie de Krishna Menon et d'Arnold Smith, en juin 1955, dans l'édifice de l'Est.



PA-139794

Paul Martin (right) engages in some "corridor diplomacy" with United Nations Secretary-General Dag Hammarskjöld at the U.N. Headquarters in New York, 18 October 1955.

Paul Martin (à droite) pratiquant la « diplomatie de couloir » avec le Secrétaire général des Nations Unies, Dag Hammarskjöld, au siège des Nations Unies à New York, le 18 octobre 1955.



PA-139793

Paul Martin (left) talking with Sir Pierson Dixon, Permanent Representative of the United Kingdom to the United Nations, during the Tenth General Assembly of the United Nations.

Paul Martin (à gauche) s'entretenant avec sir Pierson Dixon, le représentant permanent du Royaume-Uni, lors de la 10^e Assemblée générale des Nations Unies.



PA-201533

Commonwealth Prime Ministers' Meeting, London, 31 January—8 February 1955. Standing l. to r.: C.R. Swart (South Africa); Mohammed Ali (Pakistan); Sir John Kotelawala (Ceylon); Sir Godfrey Huggins (Rhodesia and Nyasaland); Seated l. to r.: S.G. Holland (New Zealand); Louis St. Laurent; Sir Winston Churchill (United Kingdom); R.G. Menzies (Australia) and Jawaharlal Nehru (India).

The Times

Conférence des premiers ministres du Commonwealth, du 31 janvier au 8 février 1955, à Londres. Debout, de gauche à droite : C.R. Swart (Afrique du Sud); Mohammed Ali (Pakistan); sir John Kotelawala (Ceylan); sir Godfrey Huggins (Rhodésie et Nyassaland); assis, dans l'ordre habituel : S.G. Holland (Nouvelle-Zélande); Louis Saint-Laurent; sir Winston Churchill (Royaume-Uni); R.G. Menzies (Australie) et Jawaharlal Nehru (Inde).



PA-136716

Sod-turning ceremony to mark the start of construction of the St. Lawrence Seaway. L. to r.: Louis St. Laurent, New York Governor Thomas E. Dewey and Ontario Premier Leslie Frost, 10 August 1955.

Cérémonie d'inauguration des travaux de construction de la Voie maritime du Saint-Laurent. De gauche à droite : Louis Saint-Laurent, le gouverneur de l'État de New York, Thomas E. Dewey, et le premier ministre de l'Ontario, Leslie Frost, le 10 août 1955.



PA-108144

Supply convoy en route from Coral Harbour to Dew Line Site No. 30, North West Territories, 16 August 1955.

Convoi de ravitaillement se rendant à la station n° 30 du réseau d'alerte avancé, depuis Coral Harbour dans les Territoires du Nord-Ouest, le 16 août 1955.



PA-199452

A.D.P. Heeneey signs the Canada-United States Agreement on the Civil Uses of Atomic Energy, 15 June 1955.

A.D.P. Heeneey signe l'Accord canado-américain de coopération concernant les emplois civils de l'énergie atomique, le 15 juin 1955.



PA-322181

Members of the Canadian Delegation to the North Atlantic Council visit the 1st Canadian Infantry Group in West Germany, 14 July 1955. L. to r.: Private Pat Butler, C.L. Reed, Private Mervin Turner and Claude Châtillon.

Des membres de la délégation canadienne au Conseil de l'Atlantique Nord rendent visite au 1^{er} Groupe d'infanterie canadienne en Allemagne de l'Ouest, le 14 juillet 1955. De gauche à droite : le soldat Pat Butler, C.L. Reed, ainsi que le soldat Mervin Turner et Claude Châtillon.



PA-117601

Left to r.: John Watkins, Dmitri S. Chuvahin, Soviet Ambassador to Canada, and L.B. Pearson on the shore of the Black Sea.

De gauche à droite : John Watkins, Dmitri S. Chuvahin, ambassadeur d'Union soviétique auprès du Canada, et L.B. Pearson sur la rive de la mer Noire.



PA-165518

India Press Information Bureau

L.B. Pearson visits with Prime Minister Jawaharlal Nehru of India, 4 November 1955.

India Press Information Bureau

L.B. Pearson rend visite au premier ministre de l'Inde, Jawaharlal Nehru, le 4 novembre 1955.



PA-146517

Commissioner Sherwood Lett (left), and his deputy, Saul Rae, at work in Hanoi in March 1955.

Le commissaire Sherwood Lett (à gauche), et son adjoint, Saul Rae, à l'œuvre à Hanoi en mars 1955.



PA-146521

Military members of the International Commission for Supervision and Control in Laos. L. to r.: Captain G.E. Lawrence (Canada), Lt. Colonel A.S. Kakshi (India), Major Kazak (Poland), and a Polish interpreter, at Xieng Khouang, Laos, 1 April 1955.

Les militaires membres de la Commission internationale de surveillance et de contrôle au Laos. De gauche à droite : le capitaine G.E. Lawrence (Canada), le lieutenant-colonel A.S. Kakshi (Inde), Major Kazak (Pologne) et son interprète, à Xieng Khouang, au Laos, le 1^{er} avril 1955.

CHAPITRE PREMIER/CHAPTER I
NATIONS UNIES ET AUTRES ORGANISATIONS
INTERNATIONALES
UNITED NATIONS AND OTHER INTERNATIONAL
ORGANIZATIONS

PREMIÈRE PARTIE/PART 1

NATIONS UNIES
UNITED NATIONS

SECTION A

QUESTIONS PRÉSENTÉES À LA DIXIÈME SESSION DE L'ASSEMBLÉE GÉNÉRALE
ISSUES BEFORE THE TENTH SESSION OF THE GENERAL ASSEMBLY

SUBDIVISION I/SUB-SECTION I

INSTRUCTIONS À LA DÉLÉGATION CANADIENNE
INSTRUCTIONS TO THE CANADIAN DELEGATION

1.

PCO

*Note du secrétaire d'État aux Affaires extérieures
pour le Cabinet*

*Memorandum from Secretary of State for External Affairs
to Cabinet*

CABINET DOCUMENT NO. 188-55

[Ottawa], September 14, 1955

SECRET

GENERAL INSTRUCTIONS FOR CANADIAN DELEGATION¹
TO THE TENTH SESSION OF THE GENERAL ASSEMBLY
OF THE UNITED NATIONS

Attached to this memorandum are general instructions for the Canadian Delegation to the tenth session of the United Nations General Assembly, which opens in New York on September 20, 1955.

¹ Le 28 juillet 1955, le Cabinet a nommé Paul Martin président de la délégation canadienne. En même temps, les noms de J.J. McCann, Roch Pinard et J.G. Turgeon étaient ajoutés à la délégation. Pour la liste complète des membres, voir Canada, Department of External Affairs, *Press Release*, 1955, No. 69. On July 28, 1955, Cabinet appointed Paul Martin as Chairman of the Canadian Delegation. At the same time, J.J. McCann, Roch Pinard and J.G. Turgeon were added to the Delegation. For a complete list of Delegation members, see Canada, Department of External Affairs, *Press Release*, 1955, No. 69.

These instructions provide broad policy guidance on the main issues which are likely to arise at the tenth session, and also brief summaries of the position to be taken by the Delegation on each of the more important items on the Assembly's agenda.

The undersigned recommends that the attached instructions be approved by the Cabinet.

L.B. PEARSON

[PIÈCE JOINTE/ENCLOSURE]

SECRET

GENERAL INSTRUCTIONS FOR THE CANADIAN DELEGATION TO THE TENTH
SESSION OF THE GENERAL ASSEMBLY OF THE UNITED NATIONS

The tenth session of the General Assembly is likely to be interesting but difficult. It is possible that, in accordance with their new policy of promoting a détente in the international atmosphere, the Soviet bloc may adopt more moderate tactics during the session, and that certain controversial issues may not be revived or pressed unduly. The Canadian Delegation should respond to such tactics if they are adopted and attempt to encourage a further relaxation in tension. Major difficulties can however be expected to arise in connection with the so-called "colonial" items involving strains in the relations between the western nations as well as between these nations and those of the Asian-African bloc. Some of the issues which are to be discussed have been raised repeatedly in the past and resulted in acrimonious and unsatisfactory debates. When such issues are debated it will be particularly important for the Delegation to bear in mind that divisions between non-communist countries will provide propaganda advantages to the Soviet bloc even if no special effort is made to exploit them. The need for a conciliatory and mediatory role on the part of the Delegation will be greater than ever. Unless these problems can be dealt with satisfactorily there is a real danger that the Soviet and the Western blocs may be drawn into the discussion on opposite sides and that the détente may be compromised. While, therefore, the Delegation should concern itself primarily with the unity of the free democracies and their relations with the non-committed nations, it will also be necessary to bear in mind the possible implications of any course adopted on relations with the Soviet bloc.

2. In all disputes between non-communist countries, the essential role of the Canadian Delegation will be to advocate restraint and moderation. The Delegation may find it possible also to draw attention to the items which provide opportunities for co-operation, for positive and constructive action rather than for lengthy and heated disputation. To perform the task successfully the Delegation will have to be as objective as possible and seek a compromise between the legitimate security preoccupations of the colonial powers and the aspirations in many parts of the world for better political, economic and social conditions.

Elections

3. The Canadian Delegation should vote for Dr. Maza of Chile for the Presidency; there is no other apparent candidate. In the Security Council elections, we should support Australia to replace New Zealand, and Cuba, or any other candidate agreed upon by the Latin American bloc, to replace Brazil. For the third vacancy, to succeed Turkey in the Eastern Europe seat, the Delegation should initially support Poland. Failing Poland's election, the Delegation should vote for Yugoslavia, if it stands, as compromise candidate on the second ballot. If the vote is still indecisive the Delegation may then support Burma or the Philippines, in that order of preference. Canada is standing for election to the Economic Social Council. For the other seats, the Delegation should support the United States for re-election.

tion, Indonesia to succeed India (which will be standing for election to the second "Commonwealth seat" next year) and the candidate agreed on by the Latin American bloc (Costa Rica or Brazil) to succeed Venezuela. For the remaining two seats, the Delegation should support Greece to succeed Turkey, and Yugoslavia for re-election. Should Yugoslavia however already have been elected to the Security Council, the conflict between Turkey and Greece in the ECOSOC elections would be resolved and the Delegation would be free to vote for them both and not for Yugoslavia.

Representation of Communist China in the United Nations

4. At the four last sessions of the General Assembly, United States Delegations have been successful in avoiding substantive votes on this question by securing the adoption of procedural motions providing for postponement of consideration. While the Chinese Communist Government has pursued lately more conciliatory policies, it has not yet given any indication that it is willing to withdraw its forces from Korea and to agree to a settlement of the Korean and other Asian problems in accordance with the principles laid down by the United Nations. Under the circumstances and bearing in mind the fact that the United Kingdom and France are prepared to support the United States moratorium arrangement, the Delegation should again vote in favour of a motion postponing consideration of the issue during the current year.

Admission of New Members

5. There are twenty-one outstanding applications for membership in the United Nations all of which have been blocked previously in the Security Council. We have become increasingly concerned by this deadlock and are prepared to support an arrangement for the admission of all the outstanding applicants except North and South Korea and North and South Vietnam which are not yet unified. Believing compromise to be necessary we are prepared to support the admission of Albania, Bulgaria, Hungary, Roumania and Outer Mongolia in return for the admission of Austria, Italy, Finland, Cambodia, Ceylon, Ireland, Japan, Jordan, Laos, Libya, Nepal and Portugal. It is possible that the U.S.S.R. and many neutral countries may also support the admission of all seventeen qualified applicants. Accordingly we have urged the Western "Big Three" to seek a gentleman's agreement with the U.S.S.R. to support jointly the admission of the seventeen.

6. The Delegation should let our views be known privately to friendly delegations but should not engage in an active campaign to solicit support for our views if the U.S. and U.K. oppose the scheme. If the Security Council declines to recommend any more than the seven qualified Bandoeng applicants (Cambodia, Ceylon, Japan, Jordan, Laos, Libya and Nepal), the Delegation should regard this as a definitely inferior scheme and seek further instructions. If the U.S.S.R. excludes Japan from admission, the Delegation should also seek further instructions from Ottawa.

Charter Review

7. In pursuance of article 109(3) of the United Nations Charter (which Canada originally sponsored in 1945) a proposal to call a conference to review the Charter has been placed on the agenda for the tenth session.

8. If a conference were held, a few useful Charter revisions might conceivably gain universal support and all states could improve their knowledge of the United Nations through studies and objective discussions of the Charter's use and interpretation. However, in view of the U.S.S.R.'s pronounced opposition to Charter revision, Canada, the United Kingdom, France, Australia, New Zealand, India and others have been reluctant to support the holding of a conference in the near future which would not decrease, but might increase inter-

national tensions. Accordingly, the Canadian Delegation should support a United States compromise formula: a General Assembly decision, in principle, to hold a conference leaving the date and place open, and to establish a preparatory commission to report to the eleventh session. This suggestion, which is in line with our own thinking and that of the Secretary-General of the United Nations, should be sufficiently positive to please those states which strongly favour holding a conference and yet flexible enough on the question of timing to permit substantial easing of East-West tensions and adequate preparation for a successful conference. The United States is seeking general agreement on this formula and it is hoped that, as a result, this item may be handled non-controversially and with a minimum of debate on substantive Charter review issues.

Disarmament

9. The Canadian Delegation should express its concurrence in the United States suggestion that priority be given to the Eisenhower proposals for the exchange of blueprints on United States and Soviet establishments and for aerial surveys of the territories of the two countries. These proposals seem to offer the best ground, at this stage, for achieving progress in negotiations on the disarmament issue. However, the Western members of the U.N. Sub-Committee on Disarmament (of which Canada is a member) are concerned lest the United States case might be presented at the tenth session in a way which would not be consistent with the aim of achieving unanimous agreement in the General Assembly; this aim was achieved at the last session for the first time in many years. In accordance with Canada's conciliatory role in United Nations disarmament negotiations, the Delegation should make every effort to induce the United States to adopt a flexible attitude in line with the recent détente in East-West relations; but without prejudice of course to Western security.

Peaceful Uses of Atomic Energy

10. This subject is to be discussed under two agenda items. The first item concerns a report by the Secretary General on the International Conference on the Peaceful Uses of Atomic Energy which was held in Geneva last August. The Conference was a great success and there seems to be general agreement that another should be held in three or four years. It is expected that the Secretary General will report that the Advisory Committee, which was established by the General Assembly to assist him in preparing for the conference, will have to meet again to dispose of unfinished business, and that he will suggest that it would be advantageous if the Committee were continued in existence. The position of the Canadian Delegation should be that it would have no objection to the continuation of the Advisory Committee to advise the Secretary General on a possible future conference similar to that held in Geneva this summer, but that its terms of reference should not extend into other fields (e.g., the International Atomic Energy Agency or the problem of radiation hazards), unless it subsequently develops that this would be desirable.

11. The second item, which was proposed by the United States, is intended to give an opportunity to Governments to report on "progress in developing international cooperation for the peaceful uses of atomic energy". The United States intends to refer to the series of bilateral agreements for cooperation which they have made with other nations during the past nine months,² the progress of their training programme for scientists from other countries, and the current status of the negotiations for the establishment of an International Atomic Energy Agency. Depending on the time at which the debate takes place, it may be

² Voir chapitre 4, 4^e partie, section A.
See Chapter 4, Part 4, Section A.

desirable for the Canadian Delegation to refer to the arrangements for supplying an NRX-type reactor to India under the Colombo Plan.³ It is hoped that the substance of the draft statute for the proposed International Atomic Agency, which the United States has submitted confidentially to the other governments that are members of the United Nations or the Specialized Agencies, will not be debated. The Canadian Delegation should refrain from any action which might encourage debate on the substance of the draft statute. If the question of the relationship of the Agency to the United Nations comes under active consideration in such a way as to prejudice the final decision to be taken in this matter, the Delegation should seek specific instructions from Ottawa.

Effects of Atomic Radiation

12. There has been widespread concern in many parts of the world over the possible noxious effects of nuclear tests and of atomic plants. It was with these considerations in mind that last year Mr. Nehru suggested that further nuclear tests should be banned: the proposal was endorsed by the U.S.S.R. and incorporated in their recent disarmament plan.

13. In order to allay these fears which it considers unwarranted, the United States Government has suggested lately that the United Nations might collate the facts available so far on the effects of radiation and circulate the results of the survey to the member countries and, we hope, to the Specialized Agencies. Their latest proposal (which they have discussed confidentially with us and with which we are in agreement) calls for the setting up of a body of government representatives who, as a first step, will put together as a systematic and comprehensive report such relevant scientific data as may be released by the governments which have experience in this field. The Canadian Delegation should support this proposal.

Policy on the Competence of the General Assembly to Discuss Colonial Items and Matters of Domestic Jurisdiction

14. In the past, when U.N. competence under Articles 10, 11, 14 or 35 of the Charter has been cast in doubt by the provisions of Article 2(7), we have on some occasions proposed, or supported a suggestion that a ruling of the International Court of Justice be sought. On the other hand, for some time we developed more generally the practice of giving a liberal interpretation to Article 2(7) to permit a wide inscription of items on the agenda and their discussion by the Assembly under Article 14, which establishes the Assembly's right to discuss and make recommendations "for the peaceful adjustment of any situation, regardless of origin, which it deems likely to impair the general welfare or friendly relations among nations". More recently we have, however, recognized that this right, among others, would be seriously impaired if too great an effect were given to the domestic jurisdiction laws set forth in Article 2(7). The Delegation should therefore bear in mind our practice of weighing each case on its merits, the final decision being made on the basis of whether inscription and discussion would serve a useful or harmful purpose either in finding a solution or in reducing the tensions which the problem has brought about among member states. Article 2(7) should in general be brought into the balance only in the next steps of discussion and recommendation, as a measure to determine whether the proposed action by the Assembly is of such a nature as to qualify it as intervention. In other words, our decision whether the Assembly should discuss the item should be decided on the basis of practical and political considerations rather than on legalistic ones. The latter should nevertheless be given due weight in casting our vote on any resolution resulting from the

³ Voir aussi chapitre 3, 2^e partie, section D(ii).

See also Chapter 3, Part 2, Section D(ii).

discussion. This flexible policy is the basis of the instructions on Tunisia and on items 20, 23, and supplementary items 1, 2 3 and 5 (Morocco, Cyprus, Algeria, West New Guinea, and race conflict and the treatment of persons of Indian origin in South Africa). In view of the above, the Delegation should avoid giving support to proposals seeking an opinion from the International Court on these apparently conflicting Articles of the Charter. Straight-forward legal questions which do not involve this conflict, such as those questions concerning West New Guinea, do not, of course come under this restriction.

Cyprus

15. The Greek Government has again requested consideration of the future of Cyprus in the same terms as last year, i.e. the application of the principle of self-determination to the population. At the ninth session of the Assembly Canada voted against inscription of the item on two grounds. Procedurally the wording of the item pre-supposed intervention, contrary to the Charter of the United Nations. Politically a general debate on Cyprus appeared undesirable.⁴ The United Kingdom will undoubtedly maintain its view that there should be no discussion of Cyprus under Article 2(7) of the Charter concerning domestic jurisdiction. Turkey has already entered an objection to the addition of the Cyprus item on the provisional agenda for the tenth session of the General Assembly, on the grounds that it was disposed of at the ninth session or at least that the Greeks are wrong in claiming that inscription also be automatic. The recent tripartite conference on Cyprus between the United Kingdom, Greece and Turkey will have a bearing on the matter. While the conference did not produce agreement, the proposals made during it by the United Kingdom may provide some basis for future negotiations. The Canadian delegation should encourage any tendencies to take this view, especially as the arguments against inscription remain strong.⁵

The Moroccan Question

16. At its Eighth Session the General Assembly adopted a resolution which noted that negotiations between France and Morocco would be initiated, expressed confidence that a satisfactory solution would be achieved and decided to postpone further consideration of the question for the time being. In recent months the French Government has been endeavouring to establish a provisional Moroccan Government with which it could commence negotiations for political, economic and social reforms before the opening of the forthcoming General Assembly. If the French Government is successful, this fact, together with the transfer of a large measure of autonomy to Tunisia, may moderate the tone of the Assembly's discussion of the Moroccan item.

17. In that event the Canadian delegation should pursue a policy similar to that adopted at previous sessions: the Delegation should not attempt to prevent discussion of the Moroccan problem and should not play a prominent part in the debates on this question. The Delegation should oppose any resolution that would condemn French policies or recommend intervention which would be prejudicial to the French efforts to bring about a peaceful settlement in Morocco. The Delegation may support a resolution expressing confidence that a satisfactory solution will be found and recommending continuation of the French-Moroccan negotiations to that end.

⁴ Voir/See Volume 20, pp. 194-225.

⁵ Le 21 septembre, les Nations Unies décidaient par vote de ne pas inscrire la question de Chypre à l'ordre du jour de la 10^e session de l'Assemblée générale.

On September 21, the United Nations voted not to inscribe the Cyprus issue on the agenda of the tenth session of the General Assembly.

18. If political pressures in France should force the French Government to postpone further its proposed reforms in Morocco or if there should be a serious deterioration in Moroccan internal affairs before this question is discussed at the General Assembly, the Delegation should seek further instructions.

The Algerian Question

19. The Algerian question has not been discussed at previous sessions of the General Assembly. It is both more complex and more worrying than the Tunisian or Moroccan questions. Unlike the protectorates of Tunisia and Morocco, Algeria is constitutionally a part of metropolitan France and Europeans comprise a much larger proportion of the population of Algeria. Although French policy seems to be shifting from assimilation to a form of integration which would transfer to the Algerians some control over their own affairs, the nationalist drive for independence has meanwhile gained alarming momentum from the point of view of France. The strength of the nationalists in Algeria was clearly revealed during the uprisings on August 20. Their appetite for independence has been whetted by the political reforms that are being implemented in Tunisia and are proposed for Morocco. It is difficult to see how the French can long continue to insist that Algeria is an integral part of France. Nevertheless, the Algerian problem is not capable of a quick solution and there is at present no alternative to French authority in Algeria other than anarchy or civil war. Moreover, the Mediterranean departments of Algeria are within the North Atlantic Treaty area and the whole territory is of great strategic significance in the maintenance of Mediterranean communications and for the Strategic Air Command. A discussion in the United Nations would probably inspire increased unrest and the inevitable criticism of French policies would undermine the constructive approach which the present French Government has been pursuing elsewhere in North Africa despite strong political pressure from right-wing parties. The outcome of events in French North Africa directly affects NATO as well as North African security, and France's future as an international power depends to a considerable extent on a favourable and peaceful settlement of this difficult situation. It is not in our interests at this stage in world affairs, that French power and influence in Europe and NATO should be weakened.⁶

20. For these reasons the Canadian Delegation should discourage any Assembly discussion of the Algerian question at this time. If necessary the Delegation may explain that, although we recognize the gravity of the situation, a discussion at this time might be more effective in preventing violence than in bringing about reforms and that in view of the constructive policies and the concessions on both sides which have brought about reforms in Morocco and in Tunisia, we are confident that measures will be taken to satisfy the legitimate aspirations of the peoples of Algeria as well.

21. An attitude of this kind would support the French position while underlining our view of the desirability of moving forward with the political reforms in Algeria. The delicate situation in Algeria is still very fluid and further instructions may be required in the light of later information on the intentions of the French Government and the attitudes of other governments.

South Africa: (Race Conflict and Treatment of People of Indian Origin)

22. These two items provide a focus for the animosity of members of the United Nations towards a member which has appeared intentionally to disregard some of the obligations embodied in the Charter. In particular, the Union of South Africa's observance of Articles 55 and 56 is in question.

⁶ Voir aussi/See also Document 193.

23. Bearing in mind the usefulness of allowing discussion of the failings of the Union, the equally important need to adhere to the principles of the Charter, and the value of South Africa's continuing membership in the United Nations, the Canadian Delegation should adopt the customary Canadian attitude towards Article 2(7): the United Nations may discuss, but not intervene in, a member states's internal affairs if these have international implications.

The Question of West New Guinea

24. At the ninth session of the General Assembly a resolution was submitted expressing the hope that the Governments of Indonesia and the Netherlands would pursue their endeavours to find a solution to the dispute over the status of West New Guinea in conformity with the principles of the Charter of the United Nations. The resolution failed to obtain the required two-thirds majority in the Plenary Session.⁷ Prior to that, discussions between Indonesia and the Netherlands over the western half of the island of New Guinea had proved negative and the Dutch had made known in August 1954 that they would refuse to re-open negotiations. The Dutch claim that their administration of West New Guinea is an endeavour to bring a dependent people to self-determination and that this right would be denied to the inhabitants if the territory were to be transferred to Indonesia. The Netherlands position is strongly supported by Australia which is concerned about the implications for Australian defence of any change in the status of the territory. Since the Dutch legal case appeared to be the stronger, the Delegation supported it in voting against the resolution which was defeated at the ninth session. The Delegation should support this position again at the tenth session. In the debate the Canadian Delegation should propose that the dispute be referred to the International Court of Justice for a ruling on the question whether the Netherlands are still legally required to continue negotiations. In the debate on inscription of the item, however, the Delegation should abstain. Abstention would reflect our view that, as the matter is part of a question that the United Nations originally dealt with, the General Assembly has the right to discuss it. Abstention (rather than a vote for inscription) would also take into account Dutch sensitivity on this issue.

Questions of Dependent Territories

25. In trusteeship matters it has been the Canadian view that the details of the administration of trust territories should be left to the Trusteeship Council, and that the General Assembly should concern itself with broad principles. The Delegation should maintain this attitude. It should also seek to moderate the inevitable disagreements between those countries that administer trust territories or colonies and those that are critical of the administering powers.

Korea

26. Very little change has taken place in the Korean issues themselves since the ninth session of the General Assembly, but the general world picture seems to be changing and this requires a fresh look at Korea. Canada has consistently supported the concept of a Korean settlement through negotiations; the question is still one of timing, and the propitious time to give further consideration to Korean unification may occur during the tenth session. The Assembly might reaffirm the Armistice Agreement. It is doubtful if the problem of the Neutral Nations Supervisory Commission will be raised. The Canadian Delegation should favour some delay with regard to NNCS's activities coming to an end. India

⁷ Voir/See Volume 20, pp. 355-356.

will report on NNRC and we should do what we can to prevent any renewal of an acrimonious debate on this issue.

Economic Questions

27. The proposal for the establishment of a Special United Nations Fund for economic development will once again be discussed during the Tenth Session. In general, the Canadian Delegation should continue to oppose as in the past, any proposals calling for the immediate establishment of this fund. Canada has been reluctant to support any such proposal because of the extent of other financial demands on Canadian resources for economic assistance abroad; because we believe Canadian funds could be used to better advantage in support of more practical bilateral programmes of economic aid; and because the absence of United Kingdom and the United States agreement to participate in the proposed organization has made it unrealistic to proceed further with definite plans.

28. ECOSOC resolution No. 15, passed by the 20th Session, recommends however that the General Assembly invite governments to give careful consideration to the most recent report of Mr. Scheyven and the Committee of Experts advocating the establishment of SUNFED.⁸ The Canadian Delegation could agree that we would give careful consideration to any ECOSOC-approved report on this subject but should refrain from supporting the further recommendation of ECOSOC that member nations be asked to transmit to the Secretary General not later than 31st March, 1956, their views on Mr. Scheyven's recommendations as this would imply acceptance in principle of the proposed SUNFED. It should also be reluctant to support the establishment of an ad hoc committee to analyze the comments of member governments on these recommendations at the present stage. The Canadian Delegation should, however, need not take a leading part in these discussions and should act in close consultation with other like-minded delegations, particularly those of the United States and the United Kingdom. The discussion in ECOSOC indicates that the U.S. and the U.K. intend to resist proposals for the establishment of SUNFED. Both countries abstained in the voting on resolution 15. However, should either of these delegations modify their positions on the ECOSOC recommendations, the Canadian Delegation should seek further instructions.

29. Canada has approved the terms of the Charter for the International Finance Corporation and before or during the early days of the Session will deposit its formal accession. When the Charter comes up for approval in the General Assembly the Canadian Delegation should strongly support its terms. Canada has, since the idea of the IFC was first introduced, supported this proposal for stimulating private capital investment in the underdeveloped countries and believes that the Charter in its present form presents an acceptable basis for bringing the IFC into being.⁹

30. On the question of the possible provision of technical assistance to Libya, the Canadian position is that this activity lies properly within the province of the U.N.T.A.B. In the event that there is any tendency to link this question to the situation in currently unsettled French North Africa, the delegation should seek further instructions.

31. The Delegation may support the adoption of the ECOSOC report on technical assistance. Separate instructions will be forwarded regarding the Canadian contribution for 1956-57 to the Expanded Programme of Technical Assistance.

⁸ Voir/See Volume 19, pp. 340-350.

⁹ Voir/See Volume 20, pp. 341-345.

Humanitarian and Social Questions

32. As a result of a decision on procedure adopted at the ninth session, it is anticipated that the Third Committee of the General Assembly will undertake a detailed examination of the Articles of the draft International Covenants on Human Rights. The Canadian Delegation should continue to press for the inclusion of a suitable federal state clause and, in any event, for the removal of the present federal clause which was inserted at the suggestion of the USSR and which provides that the covenants shall extend to all parts of federal states without limitation. In pursuing this aim, however, the Delegation should avoid placing the Government in a position where it could hardly refrain from signing the covenants without embarrassment, should it be decided at a later date *not* to sign this instrument in spite of the removal of the Soviet-sponsored article or the insertion of a satisfactory federal state clause. As regards other articles of the draft covenants the Delegation should endeavour to influence the decisions of the General Assembly along the lines of the Canadian comments which were sent to the Secretary General on March 2, 1954.

33. The Economic and Social Council at its latest session approved a resolution for transmission to the General Assembly authorizing the Secretary General to provide technical assistance with respect to any subject in the field of human rights, including the rights enumerated in the Universal Declaration on Human Rights and in the draft International Covenants on Human Rights. Since this proposal would probably result in duplication of effort and since the Technical Assistance Committee of ECOSOC is already considering the amalgamation of Technical Assistance Administration activities for economic development, social welfare and public administration, the Delegation should press for reference of this question to the TAC or, failing that, for deferment of the resolution for later consideration.

34. The Delegation should continue to support the four-year programme of the High Commissioner for Refugees which is designed to provide permanent solutions to the problems of refugees and also to provide some emergency assistance. While Canada has already contributed \$125,000 to the U.N. Refugee Fund for implementation of the programme in 1955, the Delegation should, for the time being, avoid making any commitment regarding further Canadian contributions in 1956 and subsequent years.

35. On other items relating to human rights and social problems, the Delegation should endeavour to have the United Nations and its subsidiary bodies undertake projects which are realistic in terms of prevailing world conditions and in which there is a possibility of practical results.

Administrative and Budgetary Questions

36. The Delegation should satisfy itself that all possible economies have been effected by the Secretary General in his budget estimates for 1956 and in his supplementary estimates for 1955. The Delegation should also ensure that any proposed changes in the scale of assessments on member governments are fully in accordance with the principles approved at previous sessions of the General Assembly. Every effort should be made to secure the election of the Canadian candidate (J.F. Parkinson) to the Committee on Contributions. Any move to draft Canada for a further term on the U.N. Board of Auditors should be discouraged. The proposals of the Special Committee for establishing a review procedure for decisions of the U.N. Administrative Tribunal should be supported. Improvements in administrative and budgetary co-ordination between the United Nations and its specialized agencies should be welcomed, but greater emphasis should be placed on the need for co-ordination of *planning* between U.N. organs and agencies. Finally, attention should be drawn to the undesirable consequences of setting target figures for contributions to U.N. extra-

budgetary programmes without regard to the degree of financial support which is likely to be forthcoming from member governments.¹⁰

SUBDIVISION II/SUB-SECTION II

ÉLECTIONS/ELECTIONS

SUBDIVISION I/SUB-SECTION 1

GÉNÉRAL/GENERAL

2.

DEA/5475-FA-40

*Note du sous-secrétaire d'État aux Affaires extérieures
pour le secrétaire d'État aux Affaires extérieures*

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

CONFIDENTIAL

[Ottawa], March 3, 1955

CANADIAN MEMBERSHIP IN THE MAIN COUNCILS OF THE UNITED NATIONS

This memorandum deals with Canadian representation in the various councils, bodies and agencies of the United Nations and concludes with recommendations concerning future Canadian membership in the main councils of the organization. It is being submitted at this time because our Permanent Representative in New York has informed us in telegram No. 157 of March 2† (copy attached) that the Australian Prime Minister and his party probably will wish to discuss the question of Australia's election to the Security Council for 1956-57 when they visit Ottawa next week.

The attached statistical review† shows that Canada now holds fewer offices in the United Nations than at any time since 1946. Modification of chart totals to provide special weighting for the presidency of the General Assembly and membership in the Security Council and ECOSOC on the basis of the first two contributing five additional points and ECOSOC four, produces the following results:

Point totals for Offices held by Canada in
United Nations Principal Organs, Subsidiary
Bodies, and Specialized Agencies

1946	1947	1948	1949	1950	1951	1952	1953	1954
26	36	57	53	46	52	50	35	28

A "box-score" based on membership of Canada and a number of other countries on the Security Council, ECOSOC and Trusteeship Council, adjusted on the basis of five points for the Security Council and four for ECOSOC and the Trusteeship Council, produced the following totals up to 1956:

¹⁰ Ces instructions ont été approuvées par le Cabinet le 16 septembre 1955.

These instructions were approved by Cabinet on September 16, 1955.

Australia	79	Brazil	42
Belgium	78	Poland	38
New Zealand	62	Canada	34
India	54	Chile	34

The significance of the foregoing figures is, of course, modified by the growing importance of the General Assembly and the increasing of the subsidiary bodies of the Assembly, including the Collective Measures Committee, the Disarmament Commission and its Sub-Committee, and the Advisory Committee established to assist the Secretary-General in preparing for the International Atomic Energy Conference. Membership in one or more of the main councils remains highly desirable, however, for reasons of prestige, influence in deciding important issues and facilities for obtaining information.

Following are observations and recommendations concerning them:

Observations

1. Security Council

Although the Security Council has declined in importance over the years, there is no doubt that it is still a body of considerable prestige. New Zealand's term of office on the Security Council will expire at the end of 1955. As it is unlikely that the Union of South Africa will wish to stand for election, a second round of Commonwealth representation is due to begin in 1956. The sequence of the first round was:

Australia	1946-47
Canada	1948-49
India	1950-51
Pakistan	1952-53
New Zealand	1954-55

In connection with Australia's intention for 1956-57, Mr. Johnson reported from New York (Letter No. 50 of January 21,† copy attached):

"It is perhaps indicative of Australian views that when Sir Leslie Munro, Mr. Forsyth and I were waiting to see Mr. Hammarskjold a few days ago, Sir Leslie suggested to Mr. Forsyth that Australia should now begin its campaign for election to the Security Council in succession to New Zealand. Mr. Forsyth agreed with Sir Leslie Munro and said that he was urging this course upon his Government. The difficulty they both feared was not the candidature of Canada but that of India. They both assumed that as between Canada and Australia, it was Australia's turn. They were both afraid, however, that India, which only reluctantly agreed to support New Zealand two years ago, might make another bid for the Commonwealth seat."

In the same letter Mr. Johnson said that the Australian Delegation in New York seemed confident that Canada would not contest its right of succession to the Commonwealth seat for 1956-57. This confidence might have been based on a conversation between you and Sir Alan Watt — at that time Under-Secretary for External Affairs in Australia — in 1953, in which you indicated provisionally that Canada would not be inclined to anticipate its regular turn on the Security Council. (A copy of a memorandum† concerning your conversation with Sir Alan is attached.)

Upholding Australia's right of succession to the Commonwealth seat for 1956-57 is the probability that disputing of it by Canada would encourage India to denounce the rotational principle for the Commonwealth seat on the ground that Asia is under-represented in the Security Council. If India decided to enter a claim for the Commonwealth seat for 1956-57, Canada would be faced with a problem similar to that which developed in 1953

when it appeared that India might contest New Zealand's right of succession. At that time, we planned to support New Zealand, while informing India that we sympathized with the need for a more equitable geographical representation and would react favourably at a Charter Review Conference to a proposal for an additional seat for Asia. In view of our interest in maintaining the rotational principle for the Commonwealth seat, a similar policy would appear applicable if India decided to contest Australia's right of succession. Expansion of the Security Council to provide an additional permanent seat for Asia is considered feasible by the Department's Charter Review Working Group. The Soviet bloc might find it embarrassing to resist such a proposal.

2. *Economic and Social Council*

Commonwealth representation in ECOSOC is shown in the following table:

Canada	1946-48
	1950-52
Australia	1948-50
	1953-55
India	1946-48
	1949-51
	1953-55
New Zealand	1947-49
Pakistan	1950-52
	1954-56

You will note that by the end of 1955, Canada, Australia and Pakistan will have served two three-year terms each, India will have served three three-year terms, and New Zealand one three-year term. Since Canada ended its second three-year term in 1952 and since the other Commonwealth countries concerned, except New Zealand, have served since then, it would appear legitimate for Canada to seek election for a third three-year term starting in 1956. The fact that Australia's second three-year term ends this year should facilitate Canada's re-election. It is possible that New Zealand also may wish to re-enter ECOSOC in 1956, but its candidature should not raise any difficulty unless India sought immediate re-election for a fourth term in 1956. Pakistan's second three-year term will end in 1956, and it would appear reasonable to expect India to be content to wait for one year before seeking re-election.

3. *Trusteeship Council*

Canada never has been represented on the Trusteeship Council and there seems to be little inducement to seek election there as it appears evident that we are able to play a more useful and constructive role in trusteeship matters while sitting on the sidelines and attempting to mediate and reconcile differences between the opposing blocs. Canada has no *direct* interest in trusteeship and colonial activities, and experience has shown that there is little to be gained from active participation in these controversial fields. Furthermore, we have too little knowledge of and experience in this field to make a useful contribution without devoting more labour to it than is at present available. Recommendations

On the basis of the foregoing, I should like to recommend:

1. If, as seems almost certain, Australian seeks election to the Security Council in 1956-57, Canada should support its candidature.¹¹

¹¹ Note marginale :/Marginal note:
Yes. L.B. Pearson]

2. If both Australia and India seek the Commonwealth seat for 1956-57, Canada would be justified in supporting Australia to preserve the rotational principle on which our own prospects for a seat in 1958-59 depend. Canada should, however, inform India of its sympathy with the need for more equitable geographical representation, and indicate the likelihood of Canadian support at a Charter Review Conference for a proposal to provide an additional seat on the Security Council for Asia.¹² (It would be advantageous in some respects to avoid giving the Australians a definite commitment on this point at present in view of our uncertainty of India's plans. On the other hand, a definite "prior" commitment to Australia at this time might save us embarrassment if India later requested our support. On balance, a fairly firm commitment to Australia at this time would appear desirable.)¹³

3. Canada should plan to seek election to the Security Council for 1958-59.¹⁴

4. Canada should seek election to the Economic and Social Council for 1956-57-58.¹⁵

5. Canada should continue to refrain from seeking election to the Trusteeship Council.¹⁶
Your views would be appreciated.

J. L[ÉGER]

SUBDIVISION 2/SUB-SECTION 2

CONSEIL DE SÉCURITÉ
SECURITY COUNCIL

3.

DEA/5475-CX-1-40

*Note du sous-secrétaire d'État aux Affaires extérieures
pour le premier ministre*

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

CONFIDENTIAL

[Ottawa], October 25, 1955

ELECTIONS TO THE SECURITY COUNCIL

Elections for the three non-permanent seats of the Security Council which will become vacant at the end of this year when the terms of Brazil (Latin American seat), New Zealand (Commonwealth seat) and Turkey (Eastern European seat) expire, were held at the General Assembly meeting of October 14. As you know, a member state may not succeed itself on

¹² Note marginale :/Marginal note:
Yes. L.B. P[earson]

¹³ Note marginale :/Marginal note:
Yes. L.B. P[earson]

¹⁴ Note marginale :/Marginal note:
Yes. L.B. P[earson]

¹⁵ Note marginale :/Marginal note:
Yes. L.B. P[earson]

Le 14 octobre, le Canada, les États-Unis et l'Indonésie ont été élus au Conseil économique et social dès le premier tour de scrutin.

On October 14, Canada, the United States and Indonesia were elected to the Economic and Social Council on the first ballot.

¹⁶ Note marginale :/Marginal note:
Yes. L.B. P[earson]

the Council; voting is by a secret ballot and a two-thirds majority is required. Cuba and Australia were elected on the first ballot, but five more ballots on the third seat were taken without decisive result. Three further ballots on October 19 were equally inconclusive.

2. The ballots on this third (Eastern European) seat resolved initially into a deadlock between Poland and the Philippines and then, on the fifth ballot, between Yugoslavia, as a substitute candidate, and the Philippines. The vote was close, on the last ballot (ninth) Yugoslavia getting 27 and the Philippines 31 votes and thus both falling short of the required 39 (attached is a list† of the votes on each ballot).

3. The Canadian view is that it would be undesirable to upset the geographical convention on the Security Council seats by electing a member from another region to this Eastern European seat. This might cause East-West controversy by completely breaking the Gentleman's Agreement regarding the Eastern European seat and, in terms of self-interest, would establish a precedent which might endanger the Commonwealth seat. It was considered that, of the possible Eastern European candidates, Poland should have our support, in order to avoid the friction which might develop if the Russian Satellites' claim to a turn in this seat were rejected and which would be unfortunate in the light of the present international situation. If Poland's chances turned out to be hopeless, it was held preferable to support Yugoslavia as second choice in order to keep the seat in Eastern Europe, and only as a last resort to switch our support to Burma or the Philippines, in that order of preference. In the latter event, it would be necessary to make it known we do not construe an election of an Asian member as implying a permanent transfer of the seat to Asia. We believe the separate question of additional representation for Asian countries should not be solved at the expense of a European seat.

4. The Assembly Delegation was accordingly instructed to vote initially for Poland and, failing Poland's election, for Yugoslavia, if it stood as a compromise candidate. If it became apparent that Yugoslavia in turn stood no chance of election, the Delegation would then support Burma or the Philippines (see memorandum approved by Cabinet September 16).¹⁷ As it turned out, Burma refused to stand and Yugoslavia, having entered the race, has been able to hold its own in the deadlock with the Philippines. The Delegation voted for Poland on three ballots, switching to Yugoslavia on the remaining ballots, after it had been made known by the Soviet Bloc that the candidature of Poland would be dropped and Yugoslavia would be a substitute candidate.

5. We kept the Old Commonwealth countries informed of our intentions, as well as the Americans, both in Washington and New York. Most recently, on October 12, the Delegation was instructed to reply to Mr. Lodge's representations by informing him that its instructions had been confirmed and that it would vote only as a last resort for the Philippines, re-iterating the reasons for our vote.¹⁸ While it does not appear possible to make an exact analysis of the votes, it is known that the Benelux and Scandinavian countries initially supported Poland and intended to shift their vote to Yugoslavia because "they were strongly opposed to having a European seat transferred to Asia". The United Kingdom and New Zealand also switched their votes from Poland to Yugoslavia, but Australia has continued throughout its support of the Philippines. India indicated earlier that it would initially support Poland, but it seems that both the Asian and the African votes are divided on

¹⁷ Voir/See Document I.

¹⁸ Au même moment à Ottawa, Stuart pressait St-Laurent de voter pour les Philippines. Voir M. Cadieux, Note pour le sous-secrétaire, 25 octobre 1955, MAE/5475-CX-1-40. At the same time, in Ottawa, Stuart urged St. Laurent to vote for the Philippines. See M. Cadieux, Memorandum for the Under-Secretary, October 25, 1955, DEA/5475-CX-1-40.

this issue. It is at least clear that the Philippines do not have unqualified support from their region as the candidate of the Asian countries.

6. This issue remains a point of friction for the current session of the Assembly and is likely to be interpreted as yet another aspect of the cold war. It is nevertheless much to expect, given the present two candidates, that the supporters of either should back down. There appear to be no eligible and acceptable alternative candidates in Eastern Europe (Turkey can not be re-elected, Greece is not acceptable to the United Kingdom and Czechoslovakia, Byelo-Russia and the Ukraine are not likely to be more acceptable to the United States than Poland). Moreover, in view of the heavy commitments of the Americans to the Philippines on the one hand and the protagonists of Yugoslavia on the other, it seems clear that a fresh alternative candidate must be sought on which both groups can agree. As far as our vote goes, it might be impolitic, on this matter of principle, to shift it to the Philippines at this stage. A possible solution to the stalemate might be found in Sweden. It is a neutral country which could command some support from the Soviet Bloc, and would also have merit from the United States point of view. While it is not an "Eastern" European country, its election would at least keep the seat in Europe and might provide a convenient way out of the present deadlock to all concerned. The Swedes might not be too eager themselves to be drawn into this controversy but, if both groups were willing to accept them they might be prepared to be "drafted". We have asked our Delegation in New York to explore the reaction of friendly delegations to this possible solution.¹⁹

JULES LÉGER

SUBDIVISION III/SUB-SECTION III

ADMISSION DE NOUVEAUX MEMBRES

ADMISSION OF NEW MEMBERS

4.

DEA/5475-CR-40

*Note du sous-secrétaire d'État aux Affaires extérieures
pour le secrétaire d'État aux Affaires extérieures*

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

CONFIDENTIAL

[Ottawa], August 5, 1955

ADMISSION OF NEW MEMBERS TO THE UNITED NATIONS

The attached telegram No. 501 of July 28, 1955† from New Delhi confirms a report that Premier Bulganin had told Mr. Nehru during the latter's recent visit to Moscow that the

¹⁹ Le 26 octobre 1955, le Cabinet a convenu que le Canada devait continuer de soutenir la Yougoslavie, qui fut finalement élue au Conseil de sécurité le 20 décembre 1955, sous réserve qu'elle s'en retirerait un an plus tard. L'entente fut respectée, et les Philippines l'ont remplacée au Conseil de sécurité le 1^{er} janvier 1957. Voir United Nations, *Yearbook of the United Nations 1957*, New York: Office of Public Information, United Nations, 1958, p. 514.

On October 26, 1955, Cabinet agreed that Canada should continue to support Yugoslavia, which was eventually elected to the Security Council on December 20, 1955, on the understanding that it would resign after one year. The agreement was honoured and, on January 1, 1957, the Philippines took its seat on the Security Council. See United Nations, *Yearbook of the United Nations 1957*, New York: Office of Public Information, United Nations, 1958, p. 514.

Soviet Union would support the admission to the United Nations of all 17 qualified states which wished to enter (i.e. Albania, Austria, Bulgaria, Cambodia, Ceylon, Finland, Hungary, Ireland, Italy, Japan, Jordan, Laos, Libya, Nepal, Outer Mongolia, Portugal and Rumania). It was agreed that partitioned Korea and Vietnam should not be admitted until they have been re-unified. The admission of Communist China was regarded as being an entirely separate question.

The Russian and Indian position thus coincides with the views which you have expressed on this subject before the External Affairs Committee²⁰ (and confirmed in tel. No. 1129 of July 12, 1955† to the High Commissioner in London which is attached for convenient reference) and with the general views expressed by many of the smaller powers at Bandung²¹ and at the United Nations Commemoration Meetings at San Francisco.²² Thus, the question of the admission of all outstanding applicants for membership is almost certain to be raised at the next session of the General Assembly and seems assured of receiving widespread support, especially from the members who participated in the Bandung Conference, from the Communist and Scandinavian members and from Yugoslavia. To date, the emphasis has been placed on the desirability of "opening the gates" by any means, rather than on any specific formula (such as a "package deal") for achieving this end.

The attitude of the United States, United Kingdom and France appears to differ. Shortly before the recent San Francisco meeting, these three powers reaffirmed their consistent opposition to any form of "package deal", which in any case they believe to be precluded by the 1948 advisory opinion of the International Court of Justice. In their view, all outstanding candidatures should come up and be voted on individually and on their respective merits. If individual candidatures were raised in the Security Council in the chronological order of their applications, the United States, United Kingdom and France stated that Albania (and presumably the other Soviet candidates) would probably fail at the outset. The Soviet satellites have been rejected in the past on the grounds that they did not possess a "peace-loving" character and were not "able and willing" to carry out the Charter obligations.

The real difference in the two approaches is that the Western Big Three are interpreting the entrance requirements of Article 4 in a legalistic manner whereas we are urging a liberal interpretation of the "peace-loving" aspect. When you expressed the view that "the time has come when we should accept all these applications for membership which are now before the United Nations" this did not overlook article 4 but rather urged a broad interpretation of it and implied a willingness to accept the good faith of any state which desires entrance, regardless of its ideology or past misconduct.

²⁰ Voir Canada, Comité permanent des Affaires extérieures, *Procès-verbaux et Témoignages*, N° 13, Séances du mardi 24 mai et du mercredi 25 mai 1955, pp. 43-44.

See Canada, Standing Committee on External Affairs, *Minutes of Proceedings and Evidence*, No. 13, Tuesday, May 24, 1955 and Wednesday, May 25, 1955, pp. 566-567.

²¹ Pour une évaluation canadienne de cette conférence, voir le document 780.

For a Canadian assessment of this conference, see Document 780.

²² Pour un compte rendu des réunions tenues à San Francisco afin de commémorer le 10^e anniversaire de la fondation des Nations Unies, voir Canada, Ministère des Affaires extérieures, *Affaires Extérieures*, vol. 7, N° 9, septembre 1955, pp. 239-242.

For a report on the meetings in San Francisco to commemorate the tenth anniversary of the founding of the United Nations, see Canada, Department of External Affairs, *External Affairs*, Vol. 7, No. 9, September 1955, pp. 235-238.

We are not however, urging a loose interpretation of the other, more precise qualification, statehood. Universal membership would not include Germany, Korea and Vietnam at present because they are not unified, sovereign states. Nor does universality imply that non-member states would be coerced into membership in the absence of any application to join (as in the case of Spain and Switzerland); it simply means that membership is universally open to all sovereign states which wish to join and accept the obligations of membership. However, even the qualification of statehood would have to be interpreted liberally if we acquiesced in the admission of Outer Mongolia; but this seems a small price to pay, if it proves to be necessary to gain Soviet co-operation. In this connection, we might keep in mind the precedent of India being admitted as an original member of the United Nations at a time when its status as an independent state was open to question.

Results of the Admission of New Members

The following results could reasonably be expected if the admission of all 17 applicants were approved in the Security Council and General Assembly.

(1) There would be a further easing of East-West tensions. An old bone of contention would have been removed and a further example of the possibility of real East-West collaboration would have been exhibited;

(2) The prestige of the United Nations would be raised as it would validate the organization's claim to be a true world organization and the one forum where substantially *all* national views can be heard and discussed;

(3) It might well create a favourable atmosphere for the eventual admission of the Peking Government because the admission of all applicant states would (a) ease East-West tensions, (b) establish the precedent of admitting states regardless of their present ideologies and past conduct and (c) point up the anomaly of excluding one of the most important states from a world organization;

(4) After having set the precedent of interpreting article 4 liberally and favouring the principle of universal membership of sovereign states, the eventual easy entry of Spain, unified Germany, Korea and Vietnam, and any colonial states achieving independence should be much more probable;

(5) There would be a change in the balance of voting in the Assembly: the Soviet bloc would gain 5 votes; the neutralists would gain 3 or 4; the Arabs 2; and the West 6 or 7 including the two most important members, Italy and Japan. The relative importance of the Latin American bloc would decline. Pressure for a re-appraisal of the allocation of the seats and possibly for increased membership in the Security Council would also result.

Recommendations

As a result of the foregoing considerations it is recommended, if you agree, that:

(1) We enquire as to the views of the Western Big Three on the admission of new members and as to any plans they may have for breaking the deadlock on membership. If they have none, we might urge a more positive approach in this field possibly through the Western Big Three attempting to reach a prior understanding with Russia on the admission of all outstanding applicants.²³ We might point out that: (a) this can be viewed not as a "package deal" but as a workable scheme to achieve the admission of all outstanding applications; and (b) each applicant could be voted on individually but with a prior Gentlemen's Agreement that all would be admitted. It might be indicated at the same time, that we view

²³ Note marginale :/Marginal note:
? [L.B. Pearson]

this question as an important one which has a reasonable chance of being resolved satisfactorily during the present period of détente.²⁴ Our desire to consult with the Big Three and to consider any of their proposals should be stressed but it should be brought out also that you are virtually committed to supporting the admission of all membership applicants except North and South Korea and North and South Vietnam.

While working within this general framework we could adopt either one of the following approaches:

(a) emphasizing the inquiry aspect, in which case the subject would be raised only with the Big Three and possibly with our traditional Commonwealth confidants, Australia and New Zealand; or

(b) emphasizing the promotional aspect by consulting a number of friendly Commonwealth, NATO and perhaps a few South American states on the question at the same time as, or shortly after we bring it to the attention of the Big Three. This approach would still be in the form of enquiry and consultation but it would promote support for our view and exert some pressure on the United States, United Kingdom and France.

I should be glad to know, if you agree with this general line of reasoning, which of these two alternatives you prefer.²⁵

(2) After we have notified friendly countries of our position as above, you publicly discuss the question again and advocate the universal membership of all sovereign states which desire to join;²⁶

(3) We keep in touch with the Colombo Powers in order to learn the exact manner in which they intend to raise the question at the next session of the United Nations: if they suggest that only those applications supported by the Bandung Conference should be dealt with, such a piece-meal approach may compromise the prospects of success for the wider (and in our view much more effective) scheme.²⁷

J[ULES] L[ÉGER]

5.

DEA/5475-CR-40

*Note du sous-secrétaire d'État aux Affaires extérieures
pour le secrétaire d'État aux Affaires extérieures*

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

CONFIDENTIAL

[Ottawa], September 20, 1955

ADMISSION OF NEW MEMBERS

It would appear that we might be well advised to take further action in order to enhance the prospects of the admission of the seventeen qualified applicants for admission to the United Nations, to avoid being faced with the dilemma of whether to approve or reject the

²⁴ Note marginale :/Marginal note:
Yes [L.B. Pearson]

²⁵ Note marginale :/Marginal note:
I prefer (a) [L.B. Pearson]

²⁶ Note marginale :/Marginal note:
Yes or Mr. Martin [L.B. Pearson]

²⁷ Note marginale :/Marginal note:
Yes [L.B. Pearson]

admission of only a few applicants (such as the Bandung 7 and Austria), while others like Italy were excluded. As you know, our previous approaches to the United States, United Kingdom and France have failed so far to elicit any positive response and there is a distinct possibility of the U.S.S.R. and the neutralists seizing the initiative on this question.

It occurs to me that, if you agree, this is a matter you might discuss with Mr. Dulles during his forthcoming visit. It would be best if the United States were to agree to approach the U.S.S.R. for a Gentleman's Agreement in favour of admitting all 17 membership applicants by separate votes; however, the impression has been gained from State Department officials that the United States may be reluctant to move unless it is "pushed" by the representations of friendly countries. It may be that, because of domestic difficulties over the admission of the satellites and implications concerning the seating of Communist China, Mr. Dulles may not be prepared to take the initiative of approaching the U.S.S.R. on the question. If Mr. Dulles indicates that this is the case, you might sound him out on an Assembly resolution co-sponsored by Canada, Australia, India, Belgium, a Scandinavian country and possibly a Latin American or two which endorsed the principle of universality and called upon the Security Council to reconsider the admission of the 17 qualified applicants. If this resolution could be introduced by representative middle powers, with the prior knowledge and unofficial approval of the Big Three, it might possibly make it easier for the United States and United Kingdom later to allow the admission of the 17 in the Security Council and this would remove the necessity for a private arrangement with the U.S.S.R. (The U.S.S.R. could not object to this initiative on our part because they have already indicated to us that they are aware that we are promoting some sort of proposal for the admission of the 17 and that they are prepared to view it favourably.)

It is also recommended, if you agree, that the attached telegram† be sent to London (and repeated to Mr. Martin in case Mr. Macmillan has already left London).²⁸ We hope that Mr. Macmillan might join us in another attempt to persuade Mr. Dulles that a Western initiative would be desirable: if the United States will not move we should know Mr. Macmillan's re-action to a broadly sponsored resolution as suggested above. Because of the Albanian problem it is unlikely that the United Kingdom would agree to join us in sponsoring such a resolution.²⁹

If you approve of this course of action a more detailed brief could be prepared for your conversation with Mr. Dulles.³⁰

J[ULES] L[ÉGER]

²⁸ Note marginale :/Marginal note:

Telegram despatched Sept. 21/55 [auteur inconnu/author unknown]

Ce message était daté du 20 septembre 1955./The message was dated September 20, 1955.

²⁹ Voir/See *Foreign Relations of the United States (FRUS), 1955-1957*, Volume XI, Washington: Government Printing Office, 1988, pp. 380-381.

³⁰ Note marginale :/Marginal note:

Yes L.B. P[earson]

6.

DEA/5475-CR-40

*Note du sous-secrétaire d'État aux Affaires extérieures
pour le secrétaire d'État aux Affaires extérieures*

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

CONFIDENTIAL

Ottawa, September 22, 1955

ADMISSION OF NEW MEMBERS

In your conversation with Mr. Dulles on the question of the admission of new members to the United Nations, you may wish to refer to the following arguments to persuade him that the Western Big Three should take the initiative of seeking an agreement with the U.S.S.R. The Western Big Three should support the admission of all 17 qualified membership applicants because if they do not:

(a) The question of the single admission of Austria will arise. Austria's admission can hardly be opposed but the Italian government will be embarrassed if Austria gains admission because of its neutrality while Italy is excluded because of its pro-Western policy;

(b) The admission of the Bandung 7 (Cambodia, Ceylon, Japan, Jordan, Laos, Libya and Nepal) may be proposed either in the Assembly or in the Security Council by the Asians. The West would then face an unhappy dilemma: it would be extremely difficult to oppose the admission of these qualified applicants but also detrimental to pro-Western support in the excluded European countries (especially Italy) because it would be said again that this proves neutralism to be a prerequisite for U.N. admission. If the Bandung 7 were admitted, without the counter-balancing Europeans, it would also upset the delicate balance between colonial and anti-colonial powers in several United Nations organs;

(c) The U.S.S.R. might itself propose the admission of all 17 qualified applicants. This would (1) give them a propaganda advantage and (2) embarrass Western nations which, like Canada, are publicly committed to universality and might feel obliged to support the Soviet move;

(d) Failure to break the long-standing deadlock on the admission of new members during the current period of détente would discourage any hopes that a settlement of this important problem is possible. This, in turn, detracts from the prestige and importance of the U.N. as a *world* organization. Public opinion has long regarded the exclusion of so many states from the U.N. as one of the organization's serious weaknesses.

If Mr. Dulles feels unable to take any initiative in this regard you might then enquire as to his reaction to a broad resolution sponsored by say, Canada, India, Australia, Belgium and one or two Scandinavian and Latin American countries urging the Security Council to approve the 17 outstanding applications; some of the Western Big Three could even reach an understanding beforehand to abstain in certain cases (e.g. the U.K. for Albania; the U.S.A. for the Soviet European satellites) but in such a way that all 17 would be ensured of the 7 affirmative votes required. Such a move in our part might achieve the desired results and might possibly be more acceptable to the Western Big Three.

If Mr. Dulles were to show any inclination to approach the U.S.S.R. on this subject it would be possible for him to clarify whether Moscow is prepared to agree to the admission of Japan at this time. Soviet views appear to be unsettled as Sobolev has indicated that Japan's admission is still a difficult problem and one on which no firm decision has yet been made.

If United States support for your proposal appears to hinge on the question of Outer Mongolia, you may wish to indicate that while we still favour its inclusion in accordance with the principle of universality, we are prepared to yield and have it omitted from the list in view of the strong objections of the United States and France. It is possible that the U.S.S.R. might also yield if an arrangement for the admission of the other satellites was in the balance.³¹

J[ULES] L[ÉGER]

7.

DEA/5475-CR-40

*Le chef de la délégation à l'Assemblée générale des Nations Unies
au secrétaire d'État aux Affaires extérieures*

*Chairman, Delegation to United Nations General Assembly,
to Secretary of State for External Affairs*

TELEGRAM 16

New York, September 22, 1955

SECRET. IMPORTANT.

Repeat London No. 70; Washington No. 10; Paris No. 35.

ADMISSION OF NEW MEMBERS

Zamyatin of the Soviet Delegation again today took the opportunity of a chance encounter at the United Nations to raise with Crowe the question of a possible Canadian move on this subject. He enquired whether Mr. Martin would express Canadian views on admission of new members in his speech in the general debate and he was told that the inclusion of a section on this subject was a possibility, although in the light of Sobolev's remarks to Mr. Martin about Japan we now wondered whether there was any real hope of progress at this time.³² Zamyatin said that while it was true that the question of Japan had to be very carefully considered, it was still his personal opinion that the Soviet Delegation would be able to consider and discuss a proposal for the admission of the seventeen, including Japan. To the specific question whether the U.S.S.R. could support the admission of Japan before the conclusion of a treaty between Japan and the U.S.S.R., he said that it was his personal opinion that this might be possible. He also said that Mr. Sobolev's comments on Japan might not necessarily represent the final position of the Soviet Delegation. He stressed that the attitude of other great powers was of course very important and that his delegation would be very anxious to know whether for example the United States could accept, in effect, the simultaneous admission of the seventeen including Japan. He did not

³¹ Dulles a rencontré Pearson pendant la réunion de septembre 1955 du Comité Canada-États-Unis des Affaires commerciales et économiques. Voir le document 407. Aucun compte rendu de leur entretien sur la question des nouveaux membres n'a pu être trouvé, mais le document 40 fait brièvement référence à leur rencontre.

Dulles met with Pearson during the course of the September 1955 meeting of the Joint Canada-United States Committee on Trade and Economic Affairs. See Document 407. While no record of their discussion of the New Members question was located, a brief reference to their meeting can be found in Document 40.

³² Le 20 septembre, Sobolev dit à Martin que l'admission du Japon posait encore un difficile problème à l'Union soviétique.

On September 20, Sobolev told Martin that the admission of Japan was still a difficult problem for the Soviet Union.

demur at the comment that it would be easier to ascertain the positions of other great powers if it could be firmly established that the U.S.S.R. would accept Japan and he enquired whether it would be helpful to the Canadian Delegation to have a more definite Soviet answer on Japan before Mr. Martin's speech in the general debate. We assured him that it would be very useful indeed to have such an indication of Soviet Policy.

2. It is tempting to conclude from these two approaches by Zamyatin that the Soviet Delegation would like the Canadian Delegation to take an initiative at this Assembly along the lines of the Minister's suggestion and that the U.S.S.R. would be willing to accept Japan in return for acceptance by the other permanent members of the Security Council of the Soviet candidates and of what would amount to a new and much larger package deal.

8.

DEA/5475-CR-40

*Le chef de la délégation à l'Assemblée générale des Nations Unies
au secrétaire d'État aux Affaires extérieures*

*Chairman, Delegation to United Nations General Assembly,
to Secretary of State for External Affairs*

TELEGRAM 29

New York, September 27, 1955

SECRET. IMMEDIATE.

Repeat Washington (Immediate) No. 17; London No. 76; Paris No. 41.

ADMISSION OF NEW MEMBERS

Mr. Martin had a word with Mr. Macmillan yesterday on the subject of admission of new members. Macmillan indicated that they had not yet finally made up their minds about the suggestion that 17 be admitted at the same time and he mentioned that, on the most optimistic calculation, the vote on inscribing the Cyprus item would have been a tie if these 17 states had been members.³³ He also stressed the difficulty of accepting Outer Mongolia as a member. Nevertheless he said that he would try to get his Prime Minister's views on this question and would speak to us again about it on Thursday. He thought it might be interesting if Mr. Pearson were able to raise this question with Molotov in Moscow. It would be helpful to have a report on any conversation on this subject with Dulles before Macmillan speaks to Mr. Martin again.³⁴

2. Mr. Martin also suggested to Macmillan that it might be preferable to take up the new members question fairly soon to take advantage of what seems at the moment to be a favourable atmosphere.

3. There was also a meeting of officials of the Canadian, French, United Kingdom and United States delegations yesterday morning to exchange views on this question. Crosthwaite of the United Kingdom said quite frankly that his government had been disposed to support the admission of 17 but had had second thoughts after careful calculations of the effect on the vote on colonial questions. He even went so far as to say that, from this point of view, the admission of the Bandung countries alone would be preferable to the

³³ La question de Chypre n'était pas à l'ordre du jour de la 10^e session de l'Assemblée générale.

The Cyprus item was not inscribed on the agenda for the tenth session of the General Assembly.

³⁴ Aucun compte rendu de la discussion entre Pearson et Dulles n'a été trouvé.

No record of a discussion between Pearson and Dulles was located.

admission of the 17 since the net effect on the vote on colonial questions of admitting 17 would be worse. However Crosthwaite said that the United Kingdom had not reached a final decision but was anxious that a policy on the matter should be concerted at an early date with the United States, the French and ourselves. The French had no decisions to report but gave the impression that they would prefer to see no admissions. The United States representative said he could add nothing to what Dulles had said in the general debate. Dulles suggested in his statement that no one should use a veto to prevent admission of a new member (the United States, of course, had not been compelled to use its veto to block Communist applicants).

9.

DEA/5475-CR-40

*Le chef de la délégation à l'Assemblée générale des Nations Unies
au secrétaire d'État aux Affaires extérieures*

*Chairman, Delegation to United Nations General Assembly,
to Secretary of State for External Affairs*

TELEGRAM 60

New York, October 3, 1955

SECRET

Reference: My immediately preceding telegram.

Repeat London No. 89; Paris No. 53; Washington No. 31.

NEW MEMBERS

The following is the text of a draft resolution on the admission of new members.
Begins:

The General Assembly

Having noted the general sentiment which has been expressed on numerous occasions in favour of universality in the membership of the United Nations,

Having considered the report (A/2973) of the Committee of Good Offices established by the General Assembly resolution 718 (VIII) of 23 October 1953,

Taking into account the statements made by the permanent members of the Security Council in the present session on the question of new members,

Believing that a broader representation in the membership of the United Nations will enable the organization to play a more effective role in the current international situation,

1. *Expresses appreciation* of the work and efforts of the Committee of Good Offices;
2. *Requests* the Security Council to consider, in the light of the general opinion in favour of universality and of the improved international atmosphere, the pending applications of the following states which so far have not gained admission to the United Nations:

(List group of 18, including Spain)³⁵

³⁵ Le 23 septembre 1955, l'Espagne présentait une demande d'adhésion aux Nations Unies. Voir *Yearbook of the United Nations, 1955*, New York: Department of Public Information, United Nations, 1956, p. 22. On September 23, 1955, Spain submitted an application for membership in the United Nations. See *Yearbook of the United Nations, 1955*, New York: Department of Public Information, United Nations, 1956, p. 22.

3. *Requests further* that the Security Council make its report on these applications to the General Assembly during the present session. Ends.

2. We are not wedded to the wording of this resolution but we believe that it contains the essential elements for an initiative on this subject in the General Assembly. Your comments would be appreciated.

10.

DEA/5475-CF-40

*Le secrétaire d'État aux Affaires extérieures
à la délégation à l'Assemblée générale des Nations Unies*

*Secretary of State for External Affairs
to Delegation to United Nations General Assembly*

TELEGRAM V-62

Ottawa, October 10, 1955

SECRET

Reference: Your telegrams No. 59† and 60 of October 3, No. 66 of October 4, 1955† and telegram No. 1414 from London October 5, 1955.†

Repeat London, Paris and Washington.

ADMISSION OF NEW MEMBERS

We agree with your acquiescence in the Ad Hoc Committee's decision to place the item of new members at the end of the agenda. As was pointed out during the debate on the order of items, we could always ask for some priority for the new members item if it should appear desirable to do so either because of developments at Geneva or because the Ad Hoc Committee would not otherwise reach new members until the end of November. As far as we can see at present, the Committee should take up new members during the first half of November if the debate is to result this year in anything more than the usual resolution, the practical effect of which is to postpone action for another year.

2. We appreciate the misgivings of the colonial powers and of France in particular and we agree with your judgment not to try to force the issue at the moment. If the Assembly does not upset France too profoundly by its current debate on the Algerian question, the French Government might also be willing to explore, at the Foreign Ministers' Meeting in Geneva, the feasibility of admitting 17 or 18 new members this year.³⁶ As you say all participants at Geneva will be looking for some issue on which agreement is possible and there are not too many. Indeed, our main reason for desiring to make headway on this issue at the present session is, as you know, our feeling that "the spirit of Geneva" may before long wear pretty thin. On general political grounds we would therefore hope, that as a result of the combined efforts of the four Foreign Ministers in Geneva and of some of the middle powers in New York, favourable action could be taken by both the Assembly and the Security Council this year. For this reason it would evidently be advantageous if the Ad

³⁶ La France était contrariée que le bloc anticolonialiste afro-asiatique ait réussi à inscrire la question de l'Algérie à l'ordre du jour de l'Assemblée générale. Les Français craignaient qu'une augmentation du nombre de membres, particulièrement du bloc soviétique, ne renforce le sentiment anticolonialiste aux Nations Unies.

France was upset that the Afro-Asian anti-colonial bloc had been able to place the Algerian question on the General Assembly's agenda. The French feared that an increase in membership, particularly from the Soviet bloc, would strengthen anti-colonialism at the United Nations.

Hoc Committee debate could take place by Nov. 15 if at all possible, and your proposal, with which we concur, to show the draft resolution to a number of delegations at the appropriate time appears to us to offer a useful lead in this direction.

3. Regarding the substance of your draft resolution, we agree with your decision to omit an explicit declaration as to whether the Assembly considers all of the applicants to be qualified for membership according to the Charter. A more positive resolution might ideally be more satisfactory but would probably prove much more controversial; the present formula should allow us to go ahead with fair prospects of attracting widespread support in the Assembly.

4. We recognize the validity of the observations in telegram No. 1414 from London which suggest that the resolution's reference to universality may be unpalatable to the United Kingdom. As the support of the United Kingdom is important we believe that it would be better if the resolution were amended either as London suggests or, alternatively, paragraph I might be amended along the lines of the preambles to resolutions 718 (VIII) and 817 (IX), which the United Kingdom accepted, and made to read "having noted the growing general feeling in favour of the universality of the United Nations, membership in which is subject only to the provisions of the Charter".³⁷ Both of these suggestions might be regarded as tentative; the significant thing is that we should be ready to meet the United Kingdom point of view in the wording of the "universality" clause.

5. We agree to the tentative inclusion of Spain in the draft resolution but assume that, for the present, you will wish to leave Spain in brackets in your text to denote a measure of flexibility regarding the list of applicants so as to leave room to manoeuvre and time to ascertain whether the inclusion of Spain would prejudice the chances of having the other 17 accepted. As you know, the Minister spoke to Molotov in Moscow about the admission of 17 not 18.³⁸ There is also the question of the 1946 Assembly resolution concerning Spain's ineligibility for membership which may possibly be considered to constitute a temporary legal bar to admission.³⁹ This problem is under study at present.

11. DEA/5475-CR-40

*La délégation à l'Assemblée générale des Nations Unies
au secrétaire d'État aux Affaires extérieures*

*Delegation to United Nations General Assembly
to Secretary of State for External Affairs*

TELEGRAM 184

New York, October 25, 1955

CONFIDENTIAL

Reference: Your telegram V-82 of October 24.†

Repeat London No. 129; Paris No. 81; Washington No. 80.

³⁷ Ce libellé a été inclus dans le projet de résolution. Voir délégation à l'Assemblée à Ottawa, Télégramme n° 183, 25 octobre 1955, MAE/5475-CR-40.

This language was incorporated into the draft resolution. See Assembly Delegation to Ottawa, Telegram No. 183, October 25, 1955, DEA/5475-CR-40.

³⁸ Voir/See Document 534.

³⁹ Voir/See Volume 12, Documents 489-501.

NEW MEMBERS

This telegram will confirm the telephone conversation on October 25 between MacKay and Holmes concerning this subject. It is the considered view in the Delegation that we should not repeat not, at least at this stage, join with India in the sponsorship of a resolution of new members, along the lines of the draft contained in my telegram No. 60 of October 3. We agree that it may be desirable at a later stage to seek co-sponsors but for the time being it would be preferable to regard the matter as a purely Canadian initiative, although the delegation will be discussing it with several other delegations. It is our impression that the inclusion of India in the initial stages might decrease the chances for success.

2. On October 24 we informally showed our draft resolution to the Australian, New Zealand and United Kingdom delegations. We also mentioned to the representatives of Peru and Brazil that we might be informally circulating a draft. On October 25 we showed the draft to the Indian delegation because we had already informed Menon that we had a draft. We propose gradually to expand the number of delegations to which the draft will be shown.

3. We have been proceeding in that manner because of the several difficulties involved. The attitude of the Great Powers, for example, other than that of the United Kingdom, is not clear. The exact procedure to be adopted must be worked out carefully. Complex though more remote questions about the pattern of voting in the Security Council and the special problems connected with the admission of Spain must be borne in mind. Throughout, however, we are most anxious not to let the initiative fall into non-western hands. We are primarily interested, therefore, in stimulating the opinion that Canada is prepared to take the initiative in this matter.

4. The present indications are that, even if the Great Powers can reach some agreement on the admission of new members, and the position of France greatly increases the difficulty in this regard, the action to implement that agreement would not be effected at this Assembly. There are signs that none of the Great Powers is ready to press the issue, although the United Kingdom and United States at least might be prepared to swim with the tide. This suggests that an initiative might have to be taken in the Assembly, designed primarily to have the Assembly express with the largest possible vote its views in favour of the admission of the largest possible group of new members. A hortatory resolution, along the lines of our present draft, which we have amended in accordance with your suggestions in telegram V-62 of October 10, would presumably influence not only the Great Powers but the non-permanent members of the Security Council, whose votes may be most important if all the prospective members are to be admitted. (However, please see my telegram reporting on the old Commonwealth meeting of October 25 on this subject.)⁴⁰

5. The last mentioned aim is foremost in our minds at the present time. We shall be consulting with first the Commonwealth delegations and later a wider group about timing and procedure. At the moment there seems to be no reason for precipitating action in the Assembly but only to forestall action by others.

⁴⁰ Voir le document prochain./See next document.

12.

DEA/5475-CR-40

*La délégation à l'Assemblée générale des Nations Unies
au secrétaire d'État aux Affaires extérieures*

*Delegation to United Nations General Assembly
to Secretary of State for External Affairs*

TELEGRAM 185

New York, October 25, 1955

CONFIDENTIAL

Repeat London No. 130; Paris No. 82; Washington No. 81.

NEW MEMBERS

This afternoon we discussed with the Australian, New Zealand and United Kingdom delegations the tactics involved in any initiative during the present session to achieve the admission of new members. These delegations had seen our draft resolution, as amended. The United Kingdom delegation seemed upset because we had begun to circulate, however informally, the text of a resolution, especially one which seemed to contemplate action by the Assembly before the Security Council had dealt with the outstanding applications in accordance with last year's resolution on this subject.⁴¹

2. We discussed this point of procedure. There is clearly the possibility that a resolution along the lines of our draft might obtain a substantial majority in the General Assembly and might therefore exert considerable influence not only on the Great Powers but on the non-permanent members of the Security Council. Coupled with careful negotiation a resolution of that kind might help to bring about an agreement to admit a large group of new members.

3. Alternatively, and we sense that the United Kingdom preferred this approach, the agreement between the Great Powers and the sounding out of the non-permanent members of the Security Council could take place first. Once agreement had been reached on the pattern of voting in the Security Council, the ensuing action both in the Security Council and the General Assembly would be of the rubber stamp variety. In the latter event the various diplomatic tasks involved in reaching agreement would be allocated to the delegations best suited for the specific task. It was suggested that the Canadian delegation might deal with the Russians, once the United Kingdom had reached agreement with the United States on the group of new members to be proposed. There was some inconclusive suggestions that the position of France might have to be clarified before an approach to the Soviet Union.

4. Crosthwaite said that Lodge had recently informally approached the Soviet delegation on the subject of new members and had intimated to them that the United States should consider a group of seventeen, including Spain but excluding Outer Mongolia "an interesting proposition". The United Kingdom delegation interpret this to mean that the United States would not accept Outer Mongolia in any grouping. They wondered whether we were prepared to drop that state. We replied that for the moment Outer Mongolia was included in our group but that we realized both Spain and Outer Mongolia might be the subject of

⁴¹ Voir Nations Unies, *Documents officiels de l'Assemblée générale, neuvième session, Supplément N° 21 (A/2890), Résolutions, résolution 817 (IX), 23 novembre 1954, p. 8.*

See United Nations, *Official Records of the General Assembly, Ninth Session, Supplement No. 21 (A/2890), Resolutions, Resolution 817 (IX), November 23, 1954, p. 8.*

bargaining. We were not previously aware that the United States authorities intended to be sticky about Outer Mongolia. It is still not clear whether they would veto its application, if an agreement were reached concerning the other applications.

5. Crosthwaite said that the United Kingdom legal advice was that the 1946 resolutions on Spain must be formally repealed if Spain were to be admitted. We expressed the tentative view, which some of the delegations shared, that if agreement were reached to admit the group of eighteen, including Spain, the question of repealing the earlier resolutions would not be raised and their abrogation would be effected by implication, if the Assembly passed a resolution in favour of Spain. Alternatively it might be possible to include some clause in the resolution which would reconcile it with the earlier ones. Crosthwaite said that the United Kingdom delegation would ask London to take another look at this matter.

6. There was some discussion of the manner in which the so-called "Canadian proposal" and the United Kingdom decision to support it would be dealt with in the meeting of the whole Commonwealth on October 27. It was generally agreed that the recent developments should be discussed frankly with the Asian members, even though the presence of Ceylon might occasion some embarrassment.

7. We stated our view that the United States must be brought into these discussions soon. We had intended to show them our draft on October 26. The United Kingdom representatives expressed the fear that the present text might alarm the United States delegation because if referred to a group of eighteen, because it implied Assembly action to bring pressure to bear on the Security Council and because it might be considered premature. We believe that these difficulties can be overcome through oral discussion but we propose to broach the subject cautiously with the United States delegation.

R.A. MACKAY

13. DEA/5475-CR-40

*La délégation à l'Assemblée générale des Nations Unies
au secrétaire d'État aux Affaires extérieures*

*Delegation to United Nations General Assembly
to Secretary of State for External Affairs*

TELEGRAM 187

New York, October 26, 1955

SECRET

Repeat Washington No. 82.

NEW MEMBERS

I had a brief discussion today with Wadsworth of the United States delegation on new members. He was much less disturbed than the British about our initiative and, indeed, said that he was glad that we were taking some initiative since obviously they could not do so.

2. He did intimate, however, that Outer Mongolia was a serious obstacle for them, not so much on the grounds that it was another satellite, but there was no clear indication that it fitted the description of membership in the charter. In this connection he repeated a story told yesterday that Lodge had said in a meeting with Malik and Kuznetsov that the list of applicants, except the divided states, would be an attractive proposition if Outer Mongolia were left out. He added that Malik asked why leave off Outer Mongolia and Lodge said

why put it on, whereat they both laughed. Wadsworth seemed to think that the Russians might therefore accept a list which did not include Outer Mongolia. He added that such a list would be easier for the United States to swallow than the Bandung list.

3. He said that they, of course, could not vote for the Balkan satellites, but might be able to keep silent. They could vote for Albania if the British couldn't. The real problem as we saw it was to ensure that our prospective friends would have seven votes and for the Russians to ensure that theirs would have seven votes. He thought the Russians would be amenable to an agreement not to use the veto.

4. With respect to Spain, Wadsworth agreed with me that it would be desirable if the various Assembly resolutions on Spain could be circumvented without express repeal. Incidentally, Casardi, the Italian Permanent Representative, told me today that Belaunde, the Peruvian Ambassador who is Chairman of the Good Offices Committee, had told him that the Latin American group had agreed to vote against all the satellites unless they were assured that Spain would be admitted at the same time.

5. I said that we contemplated action in the Assembly and indeed that this was the only place that we could take action since we were not members of the Security Council. I implied that I did not think that it would be quite proper for us to go around lining up votes in the Security Council. Wadsworth took no exception to this.

6. Wadsworth said that they would expect trouble with Syngman Rhee if he were left off the list. He did not know how he could be handled, but suggested personally that if a resolution such as ours came up in the Assembly they might have to move an amendment to include the ROK, although they would expect it would be voted down.

7. We were told by the British today that after receipt of the information that the British Cabinet were prepared to go along, the State Department cabled Dulles suggesting further talks with Macmillan and the French. I am not sure whether this was given to us merely to keep us informed or whether it was hoped we would get the impression that the matter might be settled elsewhere.

R.A. MACKAY

14.

DEA/5475-CR-40

*Le secrétaire d'État aux Affaires extérieures
à la délégation à l'Assemblée générale des Nations Unies*

*Secretary of State for External Affairs
to Delegation to United Nations General Assembly*

TELEGRAM V-96

Ottawa, October 31, 1955

SECRET

Reference: Your telegrams Nos. 184 and 185 of October 25 and No. 187 of October 26. Repeat Paris V-713; London V-1797; Washington V-1842.

ADMISSION OF NEW MEMBERS

1. Your reports on the reactions to our draft resolution on new members are heartening. We think you should keep up a steady interest on this subject by gradually widening the circle of representative delegations to whom the resolution is shown.

2. We must bear in mind, however, that this whole exercise, if it is to succeed, must have the support of the Great Powers; our main role is to bully them into agreement in the Security Council. For this reason the U.K. attitude mentioned in paragraph three of your telegram No. 195 is not unsound. If there is agreement among the Great Powers the Assembly will merely take note and welcome the happy development. (This is on the assumption that the Great Powers will accept the Canadian slate, i.e., all outstanding applicants less the divided countries. If they come up with another package deal the whole issue would have to be reconsidered. The stronger the line we take about universality at this stage the unhappier we will be with any package deal that might be acceptable to the Great Powers.)

3. The prospect of widespread Assembly support for a resolution should exert considerable pressure on the Great Powers and the fact that you are circulating a draft resolution should be most helpful in this respect. The actual introduction of our resolution, however, should be used only in the light of progress being made among the Big Four. As a last resort if it becomes clear that the Big Four do not intend to initiate action themselves we may at a later stage decide to submit it. This is not a decision that can be taken now. We should not place ourselves in a position where, as a result of action in the Assembly any of the western powers would be forced to veto an Assembly decision. This would do much more harm than good. Nor should we consider the possibility of a Soviet veto since in practice this would mean that the whole deal is off.

4. We are inclined to agree that you should not give the impression that you might in due course join with India in the sponsorship of a resolution on new members. There are definite advantages, however, in seeking close Indian support in the future, especially if there is any further indication that the Indians might take a separate initiative in this field. It would be disastrous were we to have to compete with India if conflicting resolutions were introduced. This would be detrimental to efforts to exert gradual, concerted pressure on the Big Four. There is also a strong likelihood that a separate Indian initiative would lapse into a proposal for the admission of the Bandung seven only. It is possible that strong Asian interest in the question might convince the French that it would be in their advantage not to block the admission of new members; in due course they might be prepared to consider bargaining their support on this question in return for Asian compromise on Algeria.

5. Because of the circulation already given to the draft resolution and of the interest shown by the French, the time seems to have come when our Embassy in Paris should show the draft informally to the French authorities. You might also show it to Guiringaud in New York if you wish. The French could be told that there is widespread demand for action along these lines in the Assembly and that there are indications that the other Great Powers may be prepared to agree among themselves to the admission of seventeen or eighteen new members. It should be stressed that we are anxious not to embarrass or isolate the French and that we intend to show the draft resolution to a select group only, with a view to giving an opportunity to the big powers to come to an understanding among themselves. You might also inform the U.S. and U.K. that we are showing our draft resolution to the French. This will allow them to discuss the matter among themselves if they so feel in Geneva or elsewhere.

15.

DEA/5475-CR-40

*Le secrétaire d'État aux Affaires extérieures
au haut-commissaire au Royaume-Uni*

*Secretary of State for External Affairs
to High Commissioner in United Kingdom*

TELEGRAM V-1825

Ottawa, November 3, 1955

CONFIDENTIAL

Repeat Paris V-720; Washington V-1858; New York V-108.

ADMISSION OF NEW MEMBERS

There have been several recent developments which indicate that the time may now be ripe for taking direct action on the new members question: the Soviet [delegation] has indicated to the Swedish delegation that they would support a move to admit 16 (without Spain and Japan) and possibly 18 new members: Belaunde of the Good Offices Committee is anxious to have the item on new members discussed soon; and the Scandinavians, Indians and possibly others appear to be considering moves of their own. In the light of these events it seems advisable that you make another formal approach to the Government to which you are accredited pointing out that it seems important that the Western Big Three confer now on this matter and made a definite decision. If the Western Big Three decide to support the admission of 17 or 18 they might then approach the Soviet Union which, we feel confident, is in a receptive mood to discuss such a proposal. One positive aspect of this move would be that agreement could be exhibited as an important accomplishment of the current Geneva Conference.

2. It might be stated that we are anxious that the Big Three take action now before the increasing pressure forces us to take any public initiative (such as formally introducing our draft resolution). If this type of action is not taken by us soon this will mean surrendering the lead in this field to other groups whose actions might tend to be difficult to control. If we or some other group introduce a resolution on new members the great powers will, it seems to us, be faced with a regrettable choice of either bluntly rejecting the admission of new members or else appearing to be giving reluctant acquiescence to a move which was forced on them by world opinion. We are anxious to avoid confronting the Big Three with a dilemma which action on their part could now avoid.

16.

DEA/5475-CR-40

*Le haut-commissaire au Royaume-Uni
au secrétaire d'État aux Affaires extérieures*

*High Commissioner in United Kingdom
to Secretary of State for External Affairs*

TELEGRAM 1564

London, November 7, 1955

CONFIDENTIAL

Reference: Your telegram V-1825 of November 3.

ADMISSION OF NEW MEMBERS

1. Macmillan is busy in the house today with the Burgess-MacLean debate,⁴² and returns to Geneva tonight. I therefore gave the sense of your message to Caccia.

2. He showed me the report the Foreign Office had received from Geneva of a conversation between Macmillan and Molotov on this subject. The latter had said that the time was opportune for the admission of new members. Macmillan had agreed and suggested that even if the permanent members of the Security Council found it difficult to cast positive votes for some of the less acceptable candidates, they should agree among themselves not to vote against them. Molotov was reported as "not dissenting" from this suggestion. He then urged Macmillan to bring the United Kingdom position into line with the Canadian position on this question. Molotov and Macmillan agreed that they would have another talk about the admission of new members in a few days' time.

3. I asked Caccia in what respects he thought the United Kingdom position differed from the Canadian. It was my understanding that our governments were agreed on the advisability of trying to get all the eighteen new candidates admitted to membership at this Assembly. He confirmed that that was his understanding of the Foreign Office position and the line that the United Kingdom delegation to the Assembly was following. He suggested, however, and this seems plausible, that Macmillan in talking with Molotov at this stage did not wish to commit the United Kingdom to a position before they had been able to agree it with the United States and France.

4. While I was at the Foreign Office a personal message came in for Macmillan from Dulles, reminding him that while he was not averse from "a large package deal" on new members at this time, he was most reluctant to accept Outer Mongolia.⁴³ He had understood from an earlier conversation with Macmillan that the United Kingdom shared his misgivings about Outer Mongolia, and hoped the information he had received that the United Kingdom was now ready to support all the eighteen was incorrect. He suggested that he and Macmillan might examine the whole question in Geneva on November 10th.

5. The Foreign Office advice to the Foreign Secretary is likely to be that he should try to persuade Mr. Dulles to accept the whole eighteen. They feel that if we object to Outer Mongolia, the Russians may object to Japan or Spain. Caccia did not think that the admission of Outer Mongolia to the United Nations could be altogether welcome to China, and that this was an argument that might commend itself to the United States. At the same time the United Kingdom is not very happy about its long tug-of-war with the United States over the election to the unfilled seat on the Security Council, and would not like to find itself ranged alongside the Soviet Union and against the United States on another controversy relating to membership of the United Nations.⁴⁴

6. After examination of the record of the Molotov-Macmillan conversation, reported in paragraph 2 of this telegram, the Foreign Office advisers are inclined to think that the Foreign Secretary and Molotov were speaking without the book when they appeared to agree that the problem of securing Security Council approval for the admission of new members might be resolved by a reciprocal agreement to abstain from voting for less desirable candidates. They point out that under article 27, paragraph 3, the concurring votes of

⁴² Voir/See United Kingdom, *House of Commons Debates*, 1955, Fifth Series, Volume 545, pp. 1466-1467, 1482-1611.

⁴³ Voir/See *FRUS 1955-1957*, Volume XI, p. 326.

⁴⁴ Voir/See Document 3.

the permanent members of the Security Council are required to make up the affirmative seven votes needed for a recommendation.

[N.A.] ROBERTSON

17.

DEA/5475-CR-40

*L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures
Ambassador in United States
to Secretary of State for External Affairs*

TELEGRAM 1859

Washington, November 8, 1955

CONFIDENTIAL

Reference: Your V-1858 of Nov. 3 (received Nov 7), 1955.
Repeat London No. 66; Paris No. 28; New York No. 19.

ADMISSION OF NEW MEMBERS

We approached the State Department yesterday afternoon and set forth the views contained in your teletype under reference concerning the advisability of early action by the Western Big Three on the issue of admission of new members. Deputy Assistant Secretary Christopher Phillips (the most senior official of the Bureau now in Washington) told us that no firm decision has been taken yet on this matter by the Secretary of State; he remarked, however, that the United States have gone a long way towards an affirmative decision since this question was discussed with us a few weeks ago. It is now expected that this matter will come to a head shortly.

2. Outer Mongolia is considered as the main stumbling block in the way of a solution; the United States are opposed to the admission of Outer Mongolia under any circumstances. The State Department, Phillips said, is a "little unhappy" that Outer Mongolia has been included among acceptable candidates in the Canadian draft resolution and in the United Kingdom statement supporting admission of new members. It is feared that the bargaining position of the USSR may have been improved by the inclusion of Outer Mongolia on the list. Niles Bond, who attended the meeting, remarked that it is not unlikely that the USSR, in the face of the United States opposition to Outer Mongolia, might insist on the withdrawal of one of the candidates supported by the West, possibly Japan.

3. After an initial *prise de contact* with the Russians on the new members question it was decided that the United States would discuss the matter with the other permanent members of the Security Council and would take it up again with the USSR at a later stage. Consultations with the United Kingdom and France are presently under way in Geneva.

4. The United States have obtained affirmative responses from the United Kingdom and Nationalist China on renouncing their veto power against Communist candidates. There is still some doubt about the attitude of France which, for well-known reasons, remains cool towards the whole deal. In Phillips' opinion the French would probably agree to go along with the other powers if there were General Agreement favouring admission.

5. The State Department is hopeful that — provided agreement is reached in advance between the permanent members on the substance of the issue — practical arrangements can be worked out to secure the necessary support in the Security Council for the agreed

candidates. The Good Offices Committee might be put to work in the General Assembly where a two-thirds majority would be required. It is believed that the South American delegations might be willing to support admission of the Communist countries provided that Spain were assured the required majority.

6. On the timing of action on admission of new members, Phillips expressed the hope that the item might be taken up in the Security Council first and only then in the Ad Hoc Committee. He said, however, that this would not necessarily preclude the tabling of a resolution in the Committee before Security Council action.

18.

DEA/5475-CR-40

*Le haut-commissaire au Royaume-Uni
au secrétaire d'État aux Affaires extérieures*
*High Commissioner in United Kingdom
to Secretary of State for External Affairs*

TELEGRAM 1574

London, November 8, 1955

CONFIDENTIAL

Reference: My telegram No. 1564 of November 7.

ADMISSION OF NEW MEMBERS

From the telegrams which you and the Assembly delegation have been good enough to repeat to London, my impression is you would prefer that the Big Four initiate action in the Security Council and that the introduction of a resolution in the General Assembly along the lines of the present Canadian draft would be your second choice to be carried out on two conditions (a) that the Big Four come to an advance gentlemen's agreement to co-operate in the Security Council, and (b) that the Big Four are not themselves prepared to take the initiative.

2. If I may comment at this distance, it seems to me that there is a good deal to be said for your second choice and that we might without much further delay put it up to the Foreign Ministers in Geneva as a definite proposal on the understanding that we would only proceed with it if they would consider it helpful. If they would really prefer to keep the initiative in their own hands and take joint action in the Security Council, they have only to say so, but I would doubt myself that all four are enthusiastic enough to go that far. The French in particular are likely to hold back from such positive action even though they might be persuaded not to veto particular applicants.

3. I agree that we would not want to place the Great Powers in the position of "bluntly rejecting the admission of new members", but we would not, of course, be forcing the issue to this point by putting our proposition privately to the Foreign Ministers in Geneva as suggested above. As to placing the Great Powers in the position of "appearing to be giving reluctant acquiescence to a move which was forced on them by world opinion", I wonder if that would in fact necessarily follow from an Assembly initiative. The Big Four could make it clear in the Assembly that they are sympathetic and they could if they so wish include in the final Geneva communiqué some general reference to their unanimous desire to co-operate in facilitating the admission of new members to the United Nations.

4. Parenthically, Miss Meagher and I have been wondering how you expect China to behave when a recommendation regarding new members, including Outer Mongolia, comes forward in the Security Council.

5. While it is essential, in advance of tabling a resolution in the Assembly, to be sure of the support of the permanent members of the Security Council, it does seem to me that this question is one on which it is not inappropriate for other states to take the lead. Since we have in fact been very active in promoting a settlement of the admissions problem and our initiative in this matter is now generally known, I should think it should be quite fitting for us, along with a representative group of other member states, to sponsor a resolution in the Assembly.

6. If you think well of putting our proposal to the Foreign Ministers, I suggest that it be done through U.K. channels and that I give a copy of our draft resolution to the Foreign Office for transmission to Geneva so that the Ministers could have the text before them when they are considering the question.

N.A. ROBERTSON

19.

DEA/5475-CR-40

*Le secrétaire d'État aux Affaires extérieures
au haut-commissaire au Royaume-Uni
Secretary of State for External Affairs
to High Commissioner in United Kingdom*

TELEGRAM V-1864

Ottawa, November 10, 1955

CONFIDENTIAL. IMPORTANT.

Reference: Your telegram No. 1574 of November 8 and telegram No. 1859 of November 8 from Washington.

Repeat New York V-128; Washington V-1900; Paris V-735.

ADMISSION OF NEW MEMBERS

1. Time is running short and we must decide as to our next tactical move on this subject. We have delayed circulating our draft resolution in the Assembly in the hope that the Great Powers would be given an opportunity first to be seized of the matter and agree among themselves.

2. There is now some prospect of agreement on this question at Geneva and we think we should go ahead in the Assembly. The Foreign Office presumably already had a copy of our draft resolution since their delegation in New York is familiar with it and I presume that it has found its way to Geneva. If not I suggest you pass it on to them with a request that it be forwarded to Mr. Macmillan. In so doing you should point out that there seems to be enough agreement among the Big Four for us now to introduce our resolution in the near future. There is a possibility that the item on new members will come up for discussion in the Ad Hoc Committee in the middle of next week. The delegation is now endeavouring to obtain as wide a support as possible for this resolution in the hope that it will become unanimous. The question of whether or not the Communist Bloc should be approached with a view to cosponsoring is now under discussion and we are inclined to think they should be brought into the picture early next week. If the Big Four wish to take the initiative themselves in the Security Council (as the United States appears to prefer

according to the Washington telegram under reference) we could attempt to delay action in the Ad Hoc Committee for some little time. Pressure on the Canadian delegation is considerable, however, and there is always the possibility that another country or group of countries will decide to go ahead with a resolution of their own. We have maintained our lead in this field and we very much hope that we can retain it but Menon is quite active and would probably not mind taking over from us. This might have unhappy repercussions. The Big Four should be made aware of the mounting pressure for action in the Assembly and realize that time is running short.

3. Regarding your paragraph four, you will have observed in the Washington telegram under reference that China has renounced its veto power against Communist candidates for U.N. membership. The delegation in New York have learned, however, that Nationalist China proposes to veto the admission of Outer Mongolia. We are taking up this point with the State Department through the Embassy in Washington.

[J.] LÉGER

20.

DEA/5475-CR-40

*La délégation à l'Assemblée générale des Nations Unies
au secrétaire d'État aux Affaires extérieures
Delegation to United Nations General Assembly
to Secretary of State for External Affairs*

TELEGRAM 269

New York, November 11, 1955

SECRET. IMMEDIATE.

Repeat London No. 161; Paris No. 99; Washington No. 122.

NEW MEMBERS

In this telegram I wish to confirm my conversation with Léger about our decision to begin approaching other delegations to co-sponsor our draft resolution on the admission of new members. My immediately following telegram contains the revised text of the resolution with the reasons why we think the revisions are desirable. In a third telegram I shall report the reaction here once we had begun to approach other delegations about sponsorship.

2. As I explained on the telephone, our informal conversations here during the past week (together with the information we have received from our Embassy in Paris) with representatives of the Great Powers, with delegations of other countries representing a wide geographical distribution and with the Secretary-General have led to the following broad conclusions:

(a) The United Kingdom, United States and the Soviet Union recognize the growing demand for wider membership but are not prepared to do anything about it until the demand becomes articulate. They are aware of the real difficulties, particularly the position of France and the need for a carefully negotiated agreement on the group of new members to be admitted. In the way of progress and, because they have reasons of their own for not pressing the matter, they have not been doing so either here or in Geneva.

(b) There is a belief, widely shared in the Assembly, that if the problem of new members is to be solved, steps must be taken during the present session. Responsible delegations like the Scandinavians, the Australians and New Zealanders, the Indians and Pakistanis and the

Brazilians have agreed with us that the opportunity should not be lost. They and others welcome our initiative but if we are not prepared to pursue the matter some of them, and possibly others less desirable, will take steps of their own.

(c) The Great Powers must be persuaded that we mean business. The Soviet delegation has already expressed doubt that we do. (Malik has pointedly mentioned this to me several times.) The United Kingdom and United States, although they share our desire to keep the initiative in Western hands, are content to withhold action as long as they can. The French in their present difficulty would obviously rather not think about new members but they too must be conscious of the pressure in the Assembly to do something about the problem.

(d) Time is running out. We have been given vague assurances by the United Kingdom and United States delegations that the question of new members will be discussed at Geneva but as far as we can judge there have been no concrete discussions to date even among the Western Three. Moreover, the Assembly's work has been progressing very slowly and there remain some difficult questions to be discussed in the relatively short period before Christmas.

3. For these main reasons and as a matter of tactics we concluded that the time had come to make another move in the direction of Assembly action, that is, to approach delegations about co-sponsorship. We assumed that this would rekindle the interest, both here and in Geneva, in the question of new members and keep the initiative in our hands.

4. Our conclusions were strengthened by the views which Robertson expressed in his telegram to you No. 1574 of November 8. Undoubtedly the Foreign Ministers at Geneva are being kept abreast of developments here, particularly those connected with the "Canadian proposal". We hope our efforts to date have been persuasive in the direction we desire. We see much merit in the suggestion Robertson has made about putting our proposition privately to the Foreign Ministers but we should do so in a way which would not tie our hands as regards Assembly action. We recommend that if no agreement on this subject is reached in Geneva when, as a matter of procedure, it becomes necessary to table our resolution in committee here (possibly by the end of next week), we should send a copy of our draft to the Foreign Ministers with a list of the co-sponsors and an indication of our intentions. We agree that communication should be through Canada House and United Kingdom channels.

R.A. MACKAY

21. DEA/5475-CR-40

*La délégation à l'Assemblée générale des Nations Unies
au secrétaire d'État aux Affaires extérieures*

*Delegation to United Nations General Assembly
to Secretary of State for External Affairs*

TELEGRAM 270

New York, November 11, 1955

SECRET. IMMEDIATE.

Reference: My immediately preceding telegram No. 269 of Nov. 11/55.
Repeat London No. 162; Paris No. 100; Washington No. 123.

NEW MEMBERS

The following is the revised text of our draft resolution on the admission of new members. Begins:

The General Assembly

Having noted the general sentiment which has been expressed on numerous occasions in favour of universality in the membership of the United Nations,

Having received the preliminary report (A/2973) of the Committee of Good Offices established by the General Assembly resolution 718 (VIII) of 23 October 1953,

Taking into account the statements about the admission of new members made by permanent members of the Security Council in the general debate of the present session of the General Assembly,

Believing that a broader representation in the membership of the United Nations will enable the organization to play a more effective role in the current international situation,

1. *Expresses appreciation* of the work and efforts of the Committee of Good Offices;
2. *Requests* the Security Council to consider in the light of the general opinion in favour of the universality of the United Nations, the pending applications for membership of all those countries about which no problem of unification arises.
3. *Requests further* that the Security Council make its report on these applications to the General Assembly during the present session. Ends.

2. We reverted to the first paragraph in our original draft because of doubts raised by several delegations about the inclusion of the words "membership in which is subject only to the provisions of the Charter". It was suggested to us that this hortatory resolution might well be based primarily on the general sentiment in favour of universality. The subsequent resolution or resolutions in the Assembly approving actual admission of the new members concerned could deal with the problem of Charter qualifications. We are prepared to accept this point of view at least for the time being.

3. As regards the second paragraph Belaunde of Peru, as Chairman of the Committee of Good Offices, preferred "received" to "considered" and to describe the Committee's report as "preliminary". We saw no objection.

4. The third paragraph was revised to make clear what statements by permanent members of the Security Council we had in mind. We purposely omitted "the" before "permanent members" to indicate that some but not all of them made statements about the admission of new members.

5. In the operative paragraph 2 we decided to drop the reference to the "improved international situation" because of some suggestions that it was not really relevant to the consideration of applications for new membership and its inclusion might prejudice future applications. After considerable thought we concluded that it would be preferable not to list the countries concerned nor to mention any number. We evolved the formula in the present draft.

6. In my immediately following telegram I shall discuss the approaches we made to attract co-sponsors. The representatives of Australia, Brazil and Iraq have already said they will be glad to co-sponsor. As we widen the co-sponsorship we are bound to receive suggestions for revision of our draft. Although we shall try to keep the amendments suggested by others at a minimum, I shall welcome any comments you wish to make on the present wording.

R.A. MACKAY

22.

DEA/5475-CR-40

*Le chef de la délégation à l'Assemblée générale des Nations Unies
au secrétaire d'État aux Affaires extérieures*

*Head, Delegation to United Nations General Assembly,
to Secretary of State for External Affairs*

TELEGRAM 271

New York, November 11, 1955

SECRET. CANADIAN EYES ONLY. IMMEDIATE.

Reference: My immediately preceding telegram No. 270 of November 11.
Repeat London No. 163; Paris No. 101; Washington No. 124.

NEW MEMBERS

Late in the afternoon of November 10 we approached several delegations about co-sponsoring our draft resolution as revised. Unfortunately at that time the First Committee's debate on Korea was in full swing and it was not easy to have conversations with the senior representatives of all the delegations we approached. I made a point of speaking first to Spender and told him that because of Casey's interest in the matter we considered Australia should be at the top of our list of co-sponsors to which he agreed readily. Freitas-Valle of Brazil and later Jamali of Iraq assured me that their delegations would be glad to co-sponsor. In the meantime we had approached the delegations of Norway, the Netherlands, New Zealand and Pakistan, all of whom undertook to let us know as soon as possible whether they could join us.

2. I purposely did not approach the Indians at first, although we have now done so. I knew Menon was most anxious to become a co-sponsor but I had no wish to be stampeded either into hasty action or to extensive amendments to our draft. We considered it might be useful to have a number of other firm co-sponsors before India became one. I have previously indicated our reasons for thinking that India's association with the move should preferably be as part of a large group of sponsors.

3. As we began our approach to other delegations we gave the United Kingdom and United States Delegations our revised draft and informed them that we were gathering co-sponsors as part of our preparation for eventual action in the Assembly. Even if time had permitted, which it did not, we were not disposed to give them advance notice of the move because we were sure they would immediately raise objections, some valid and some not, to head us off. In the event, as soon as Dixon learned that we were speaking to prospective co-sponsors, he asked me to meet with Lodge and him. The remaining paragraphs of this telegram give the sense of what each of us said, though not consecutively, at the meeting.

4. Dixon began by reviewing the United Kingdom position. He emphasized the following:

(a) The United Kingdom Government had been obliged to declare its stand on new members and particularly on the "Canadian proposal" of a group of eighteen because of information which the Ceylon Ambassador to the United States had given to the press after an informal discussion at Geneva (an article by Wickham Steed was mentioned in particular). The Ceylonese press had accused the United Kingdom of deliberately dragging its feet on the membership issue. The United Kingdom Government would nonetheless welcome a successful conclusion to the Canadian efforts.

(b) As to procedure the United Kingdom would prefer initial action by the Security Council which would take place as soon as the Great Powers had reached a carefully-negotiated agreement on the pattern of voting in the Security Council which would ensure that the largest possible group of members would be admitted.

(c) It was his impression that within a very few days the Foreign Ministers in Geneva would take up this question and from what he knew of the various positions it was not inconceivable that some agreement might be reached, although our eighteen might be reduced to seventeen by dropping Outer Mongolia. A chief obstacle to discussion in Geneva was the position of the French.

(d) As he understood the French position, because of the impact of the inscription of Algeria on the Assembly agenda, nothing would induce the French to give any undertaking about new members. The Algerian item must be cleared away and, if this could be done satisfactorily to the French, the prospects for French cooperation on new members would be brighter.

(e) He also referred to the difficulties involved in reaching an agreement on the pattern of voting in the Security Council but said nothing that we have not heard before.

5. I explained our reasons for believing that we should make preparations for action in the Assembly. I referred to the various conversations which we had had with representatives of the Great Powers and with many other delegations. It was our impression that the majority of delegations were expecting some progress this year and that this view was widely reflected in public opinion. To some extent for tactical reasons, I said that we did not agree that action should be taken in the Security Council first. I emphasized that we would not wish to disturb any desirable arrangements which might be made at Geneva but that we were somewhat concerned because no word had reached us of developments there in this matter. Because of our well-known position on the question of new members and because we were now being chided about dragging our feet, we decided to take further steps to indicate our sincerity and purpose. I said I fully recognized the difficulty about Outer Mongolia, that in fact we were aware that one permanent member of the Security Council intended to veto Outer Mongolia's application. I said it was our view, however, that we should start with the largest possible group and make deletions if this became necessary. In any event this would be a matter for the Security Council to decide rather than the Assembly at this stage.

6. I explained too that we fully understood the complications as regards the position of France. We had no wish to embarrass the French but, on the other hand, doubted whether the majority of the Assembly would take the view that the new membership issue should be shelved unless and until France found some way to deal with the Algerian question. I expressed my opinion that France would find it hard not to go along with the other Great Powers if they reached an agreement on the admission of new members.

7. Throughout my remarks I emphasized that if Geneva produced the desired results, and we hoped it would, there would probably be no need for the Assembly to express itself in advance of action by the Security Council, although I was not sure that there still might not be advantages in having an overwhelming resolution in favour of the admissions. What we were really concerned about, however, was that action might not be taken or agreement might not be reached by the Great Powers, either at Geneva or during the present session. In this event it would be desirable and indeed inevitable that the Assembly should have expressed itself on the subject. I said I had reason to believe that several other delegations were more than ready to take action in the Assembly, especially if we showed signs of

losing interest in the matter. I emphasized that in fact our interest had grown rather than diminished and that we believed our efforts to date had produced useful results.

8. Lodge's remarks were not as comprehensive as those of Dixon and we learned little that was new. Lodge emphasized that:

(a) The United States preferred action in the Security Council first because of the need to protect ourselves against sharp practice by the Soviet Union. The Great Power Agreement on the admission of new members would have to be detailed and possibly reduced to writing. He referred to the various possibilities of a double-cross. (We were not too impressed with this argument because we believe that since the Assembly will have the final word about admissions, failure on the part of the Soviet Union to live up to the bargain could be remedied by a two-thirds majority vote in the Assembly. The Soviet Union probably does not enjoy that advantage).

(b) The United States could and would never accept Outer Mongolia. Lodge believed that the Soviet Union might withdraw its support to Outer Mongolia's application. I interjected that there is danger, however, that India will insist on Outer Mongolia. This added to the other risks involved in taking Assembly action first. Barco added that Assembly action in advance might be the "kiss of death" to the entire procedure. He produced a sound supporting argument, that is, that prior discussion in the Assembly of Outer Mongolia's application might force the Soviet Union to take a strong position, from which it could not later withdraw, in favour of Outer Mongolia.

(c) Lodge said that he had heard from third parties what the Soviet Union was prepared to do to obtain an agreement on new members but that Russians had not said these things to the United States delegation. This led him to suspect Soviet intentions.

9. Both Dixon and Lodge argued that action in the Assembly might make it more difficult for the Great Powers to reach an agreement largely because, I gathered, they would be required to take positions in public in advance of the bargaining. All I said in reply was that we three were divided in our opinions on how the matter should be dealt with. Dixon asked what my reaction might be if agreement were to be reached in Geneva on seventeen, whether I would still consider it necessary to pursue action in the Assembly. I said we would have to consider that possibility when we had received the good word from Geneva. I added that we were interested in results more than anything else.

10. Since it was clear that we were not to be persuaded from following the course of action which we had adopted, Dixon and Lodge both enquired about our ideas on the timing of Assembly action. I said that we assumed that the item on new members should be discussed in the Ad Hoc Political Committee immediately after the next item, which is on Palestine refugees. In reply to their request, I assured Dixon and Lodge that we would keep them informed about our efforts to attract co-sponsors. I said that we wished to have a large group and one representing all shades of opinion in the General Assembly. We assume that for the moment at least the Great Powers would not be interested in co-sponsorship. We undertook to inform the United Kingdom and United States delegations in advance about any move on our part to introduce our proposal in the Ad Hoc Committee.

11. At this meeting I expressed in several different ways our firm conviction that the course we were following was the only one which would produce results. It had already brought some action. I said, and Dixon acknowledged, that the United Kingdom's decision to support the admission of eighteen was a result of our earlier moves. We believed that we had a strong following in the Assembly and we were persuaded that its voice should and

would be needed by the Powers concerned. For these reasons we were determined to continue our efforts.

PAUL MARTIN

23. DEA/5475-CR-40

*La délégation à l'Assemblée générale des Nations Unies
au secrétaire d'État aux Affaires extérieures*

*Delegation to United Nations General Assembly
to Secretary of State for External Affairs*

TELEGRAM 287

New York, November 14, 1955

SECRET.

Repeat London No 167; Paris No 104; Washington No 128.

NEW MEMBERS

On November 14 the Ad Hoc Political Committee was scheduled to begin discussion of the second item on its agenda, that is, the report of the United Nations Works and Relief Agency for Palestine Refugees. Since we were aware that the Foreign Ministers proposed to adjourn their meetings in Geneva on November 16 I considered that it would do no harm to give a further indication that we were in earnest in pursuing our proposal to have eighteen new members admitted to the United Nations at the present session of the General Assembly. Accordingly, I arranged with the chairman of the Ad Hoc Committee to make a brief intervention on the point of procedure.

2. Immediately before the Palestine item began to be discussed and with the consent of the chairman, I expressed the deep interest which the Canadian delegation had in the matter of new memberships. Although, as I explained, we had no wish to interfere with the Committee's decision now to discuss the problem of Palestine refugees, I wondered if the chairman could give some indication of the timetable for discussion so that my delegation and others could prepare themselves for the consideration of the item on new members concerning which, I emphasized, "some concrete proposals are definitely in the minds of some of us."

3. Menon intervened on the same point. He expressed the interest of his delegation in the question of new members. He asked specifically that the item be discussed immediately after Palestine refugees. He said it would be desirable, in view of the recent developments as regards the question of race conflict in South Africa, to delay the debate on the treatment of Indians in that country. The chairman said, in reply to me, that the debate on Palestine refugees would probably last a week and that if necessary procedural arrangements could be made for expediting discussion of the new members item.

4. Immediately before I spoke Dixon asked to have a word with me. We had notified the United Kingdom delegation about our intention to intervene briefly. Dixon tried to dissuade me on the ground that some other delegation might seize the opportunity afforded by my intervention to press for immediate discussion of the item on new members. He said that the United States delegation were determined that the question of new members should first be considered by the Security Council before being discussed by the Tenth Assembly. I said I was aware of the United States wishes in that regard but that we were

firmly of the opinion that action first in the Assembly was not only a desirable course but likely to be most helpful in bringing about results.

5. There is no doubt that the United States delegation is working to arrange the early consideration of this question by the Security Council. We heard that Belaunde of Peru was on the point of sending a letter to the president of the Council requesting an early meeting. The letter was reportedly dictated in Lodge's office. The United States delegation have been trying to persuade the Latin American delegations that council action first is to be preferred. This afternoon I spoke to Belaunde and I hope I persuaded him not to press for Security Council action without consulting me.

6. I am satisfied that we should continue our efforts to convince all concerned that we will pursue our initiative in the Assembly. These tactics appear to me to have yielded worthwhile results. Today both Engen of Norway and Freitas-valle of Brazil urged me not to be shaken in my resolve to proceed in the Assembly. It seems that someone has been trying to persuade them that our intentions in that regard are not serious.

24.

DEA/5475-CR-40

*Le chef de la délégation à l'Assemblée générale des Nations Unies
au secrétaire d'État aux Affaires extérieures*

*Head, Delegation to United Nations General Assembly,
to Secretary of State for External Affairs*

TELEGRAM 293

New York, November 15, 1955

SECRET. IMMEDIATE.

Reference: My telegram No. 287 of November 14.

Repeat London No. 168; Paris No. 105; Washington No. 129.

NEW MEMBERS

As a result of informal conversations with a number of delegations we gained the impression this morning that a move might be made to have the question of new members considered immediately in the Security Council. It seemed that the United States was fostering the idea in order to forestall our proposed move in the Assembly. From our discussions yesterday with the Soviet delegation, (discussions which Holmes will have reported to you in full detail), we considered that any move in the Security Council now would merely be a blocking action and would have no beneficial result as regards the admission of new members. As a precautionary measure, therefore, I decided that the time had come to complete our preparations for tabling our draft resolution.

2. We arranged for a meeting of our co-sponsors to be held late in the afternoon of November 15. At the time the meeting was called the Delegations of Afghanistan, Australia, Brazil, Burma, Colombia, Iceland, India, Indonesia, Iran, Iraq, Lebanon, Liberia, Norway, Pakistan, Saudi Arabia, Syria, Yemen and Yugoslavia had indicated their intention to co-sponsor our draft. The Delegations of Chile, Denmark, New Zealand and Sweden were also interested and we had reason to believe that still other delegations would come forward shortly.

3. In the afternoon it came to our attention that the United States delegation had sent a letter to the President of the Security Council notifying him of their desire to have a meeting to discuss new members but without specifying any date. The request was based on last

year's resolution by the Assembly. We learned too that Belaunde of Peru was to hold a press conference this evening at which he would indicate the willingness of the Committee of Good Offices to continue its efforts to assist the Security Council. Shortly afterwards I discussed this development with Lodge. I expressed surprise that he had decided to take this action without consulting me. I reminded him that at our meeting on November 10 (my telegram No. 271 of November 11) we had undertaken to keep the United Kingdom and United States delegations informed in advance about any move on our part to introduce our proposal in the Ad Hoc Committee. Lodge said that my brief procedural intervention in the Ad Hoc Political Committee on November 14 had led him to believe that we intended to ask for an immediate discussion of the item on new members. (There had been a suggestion in the press that we intended to do so this afternoon.) Lodge reiterated the United States preference for a consideration of the new members question first by the Security Council. I said in reply that we still did not share his point of view.

4. On the question of timing Lodge assured me that he had no intention of pursuing the matter in the Security Council immediately because informal discussions were taking place among the Great Powers which might have an important bearing on the outcome of any discussion. He said that his letter to the Security Council was a preparatory move similar in kind to the steps we were taking in preparation for Assembly action. I reiterated our conviction that Assembly action first would greatly enhance the possibility of success. For this reason, I said, we were resolved to continue our course. Lodge did not seem unduly upset about that prospect.

5. The meeting of co-sponsors took place as planned. By the time of the meeting Costa Rica, Denmark and Sweden had joined us as co-sponsors, making twenty-two in all.

6. I outlined the reasons why we believed that prior action by the Assembly would be beneficial. I reported my conversation with Lodge and also gave my understanding of the United Kingdom position. I emphasized that in proposing Assembly action first we had no wish whatever to compete with those who preferred prior action by the Security Council. Nor did we wish to embarrass the United States. I explained that we were only interested in results and that we were persuaded that the best prospects for success would be derived from a strong expression of opinion by the Assembly. In reply to questions I stated frankly that at the present there were difficulties (I referred to the position of France and the possibility of a veto by a Great Power other than the United States) which might prevent the admission of the whole group of eighteen and that this might result in the failure of any new members being admitted. We considered, however, that the time had come for the largest possible majority in the Assembly to declare themselves and that our resolution, if strongly endorsed by the Assembly, would assist the Great Powers and, perhaps more important, the non-permanent members of the Security Council to make up their minds. Accordingly we proposed to table the draft resolution within the next day or so.

7. Spender seemed doubtful about pressing ahead too quickly. He said that the United States had come a long way in agreeing not to veto the four satellite applicants. To insist on the inclusion of Outer Mongolia might be to expect too much of the United States Government. There was a possibility too that the Soviet Union would exploit the situation.

8. The representatives of India, Yugoslavia, Norway and Sweden supported our view that the time had come to table the draft resolution. They agreed that there was no procedural obstacle to doing so. Menon said that even if the Security Council did meet before the Assembly began its discussion of the item, the Council would have to take note of the widely-held opinion reflected in our draft resolution and its co-sponsorship by a large

number of member states. He emphasized that last year's resolution did not reflect the current opinion on the admission of new members.

9. Prince Wan of Thailand, who also attended our meeting, saw no objection in tabling the resolution at once and expressed the view that procedural arrangements could be made for having a discussion of the item before it was called. He indicated that Thailand would support the resolution but that it would not co-sponsor it until there were clear indications of the attitude which the United States would adopt in the Security Council. Since Prince Wan is Chairman of the Committee concerned, it is perhaps preferable that his Delegation should not co-sponsor the draft resolution.

10. Munro spoke in favour of our position and said that he had urgently sought instructions to join the group of co-sponsors. He referred to the bearing which Dulles' movements might have on the United States attitude. He said that any hesitation would be interpreted as a weakening of our resolve to have the Assembly express itself. He believed that the tabling of the draft resolution would be effective persuasion.

11. At Spender's request, supported by several other delegations, we agreed not to table the draft resolution until a further meeting of co-sponsors tomorrow. At that time we are likely to have additional co-sponsors. The representatives of Chile, Ecuador, El Salvador, Ethiopia and Greece have consulted their governments. In this regard I should explain that we have not approached either the Great Powers or the Soviet satellites to co-sponsor and the three members of the Good Offices Committee have agreed because of their position not to serve as co-sponsors, although they are likely to support the draft resolution. The Mexican delegation has also assured us of support but will not co-sponsor because of some opposition in Mexico to Spain.

12. After the meeting of co-sponsors I held a press conference at which I explained in a general way our purposes and intentions. This interview was clearly called for in view of the statements made in the last few days by other interested delegations and because a large group of reporters had gathered outside the room in which we had met. The other co-sponsors agreed in advance that I should deal with the press.

13. In the course of the meeting with the co-sponsors, I reported that Mr. Lodge during our conversation had indicated that he could not support our draft resolution because of the reference to the principle of universality. A number of co-sponsors thought that it might perhaps be possible to amend the draft resolution to overcome this difficulty. It would have to be understood, however, that the resolution even if amended would still urge the Security Council to consider the applications of all non-divided countries. The co-sponsors agreed that I should discuss the matter before the meeting tomorrow afternoon with the members of the Security Council. While it may be possible to delete from the draft resolution a reference to the principle of universality there is no doubt that the substance of the operative paragraph will still urge acceptance of the principle by implication.

[PAUL] MARTIN

25.

DEA/5475-CR-40

*La délégation à l'Assemblée générale des Nations Unies
au secrétaire d'État aux Affaires extérieures*

*Delegation to United Nations General Assembly
to Secretary of State for External Affairs*

TELEGRAM 298

New York, November 16, 1955

SECRET. IMMEDIATE (FOR CANADIAN EYES ONLY).

Reference: Our immediately preceding telegram No 297 of November 16†.
Repeat London No. 170; Paris No. 107; Washington No. 132.

NEW MEMBERS

In the 24-hour interval between the meetings of co-sponsors (which we mentioned in our telegram No. 293 of November 15) the main purposes of the delegation were:

(A) to consult further with representatives of the great Powers concerning their attitude toward the admission of new members as contemplated in our draft resolution and

(B) to maintain and if possible widen the group of co-sponsors.

2. As regards (A), we had assured our twenty-one co-sponsors at the meeting yesterday that we would inform the Great Powers about our joint conviction that the Assembly should express itself on the subject and impress upon them our earnest belief that effective action should be taken at the present Assembly to bring about that admission of the largest possible group of new members. We had undertaken to report to the co-sponsors the reaction of the Great Powers.

3. As for (B), we were somewhat concerned that as a result of pressure by the Great Powers some of our co-sponsors might have second thoughts. We were aware that Spender, for example, was concerned about the United States attitude. We wondered whether some of the smaller powers could withstand the pressure upon them to defect. At the same time, we were confident from the warm expressions of support which we had received not only at last evening's meeting of co-sponsors but from many other delegations that our attitude in this matter was not only correct but highly appreciated by a large majority of delegations. This encouraged us to seek more co-sponsors.

4. Mr. Martin had discussions with Lodge, Dixon and Kuznetsov. Last evening he had spoken to a member of the French delegation. In these conversations he continued to emphasize our belief that an expression of opinion by the Assembly would assist the powers concerned to reach agreement on the admission of new members. He affirmed our determination to circulate formally a draft resolution. He urged Lodge, Dixon and Kuznetsov to strive for agreement, bearing in mind the wide support which our proposal would receive. He insisted that we had no intention of embarrassing anyone concerned but that we considered that time to act had arrived.

5. Lodge continued to argue that action first in the Security Council was to be preferred. He explained that his delegation was consulting closely with the other delegations concerned. He intended to press for an informal meeting of the Security Council, or at least of the Great Powers. At this meeting the admission of new members would be discussion but no formal decision would be taken. This, we believe, is the "dry run on seventeen" about which members of the United States have been speaking recently. The object would be to persuade the Soviet Union that it could not succeed in its effort to obtain seven affirmative

votes for Outer Mongolia. Conversely, and Lodge left us with this distinct impression, if it were to appear that the Soviet Union would not budge, the United States attitude might have to be reconsidered.

6. Dixon tried to persuade us several times today not to press the United States too hard. He went as far as to say that the United Kingdom delegation had instructions to oppose our resolution if it were pressed to debate. We were informed, moreover, that the United Kingdom had stated publicly its preference for United States tactics, that is, a prior meeting of the Security Council. We suspect that some members of the United Kingdom delegation tried to dissuade some of our prospective co-sponsors.

7. Mr. Martin's talk with Kuznetsov revealed no change in the Soviet determination to press for eighteen admissions or nothing. He insisted that the Soviet willingness to accept Japan and Spain were real concessions which had to be met by concessions on the other side. At the moment we have no reason to believe that the Soviet Union would change its position on Outer Mongolia.

8. Our efforts in the lobby were hampered by the weight of the opposition. It appeared that the United States, assisted we think by one or two other delegations, made a major effort to discourage our effort to table the draft resolution. The majority of the Latin Americans were obviously undecided on how they should react to our request that they join in the co-sponsorship. Most of them said that they were urgently seeking instructions and almost all of them said they were ready to support the resolution along the lines of our draft. We shall not be surprised if some of them join the group of co-sponsors during the next few days.

9. The meeting of co-sponsors held late this evening was attended by our twenty-one supporters of yesterday plus the delegations of Argentina, Chile, New Zealand, Turkey and Thailand. Mr. Martin reported on the events of the day and emphasized that the least we could say was that the position of the Great Powers had been clarified. He stated that there would be no formal debate in the Security Council before the weekend, that there was likely to be an informal meeting of the Security Council members, and that in any event we would be kept informed about proceedings in the Council. Mr. Martin said he was satisfied from our understanding of the United States position that, if we proceeded wisely, our efforts could end in success.

10. Mr. Martin then raised questions about the wording of our draft resolution. He had ascertained from Lodge that the references to "universality" in our draft gave considerable concern to the United States and the United Kingdom. To meet their objection we had suggested to them that "the widest possible membership of the United Nations" might be substituted after in the preamble and that "strengthening the representative character of the United Nations" might be substituted after "in favour of" in the second operative paragraph. Both Lodge and Dixon had said that changes of this kind would "make their position easier." Mr. Martin recommended the meeting, therefore, that we give sympathetic consideration to changes of that kind.

11. Australia, Norway and India said there should be no difficulty about the words as long as the main objective of the resolution was maintained. Menon made a most useful suggestion that the words "widest possible membership of the United Nations" should appear in both the preamble and the second operative paragraph. These changes were accepted by the meeting. After further discussion it was agreed that the draft resolution should now be tabled formally, that is, circulated as a United Nations document. When we called the role of co-sponsors Argentina, New Zealand and Thailand joined the group. We took steps to have the resolution circulated and, at the request of the meeting, I informed the press.

12. There is now little doubt in our minds that we have acted wisely in doing so. Particularly with the amendments which were accepted by the meeting, the tabling of the resolution will have a most persuasive effect. It not only offers some assurance to the Soviet Union that a majority of members of the General Assembly are prepared to act in the interests of settling this long-standing problem but it will provide the United States and other members of the Security Council with a basis for an adjustment of policy which may be necessary to achieve that end. In addition, it leaves no doubt that we mean business. We hope you will share our belief in the value of the course we had agreed we should follow and which has imposed a heavy responsibility and burden on the delegation. During the next few days we shall know whether our efforts thus far have helped to bring about the results we all desire. If nothing else happens, however, we can at least say that we induced the Great Powers to put their heads together.

R.A. MACKAY

26.

DEA/5475-CR-40

*La délégation à l'Assemblée générale des Nations Unies
au secrétaire d'État aux Affaires extérieures*

*Delegation to United Nations General Assembly
to Secretary of State for External Affairs*

TELEGRAM 302

New York, November 17, 1955

SECRET. IMMEDIATE.

NEW MEMBERS

Dixon told me today that the United Kingdom High Commissioner in Ottawa had been instructed to approach you to endeavour to ensure that the Canadian delegation here is instructed to take no action in the Assembly of this question which might interfere with the consideration of it by the Security Council. If the instructions sent to Nye do not go beyond this, they are, of course, quite unnecessary since we had repeatedly made it clear that we regard consideration of the item by the Assembly and by the Security Council as complimentary not competitive processes. Now that the joint draft resolution has been officially circulated with the co-sponsorship of twenty-five delegations, a good part of our objective of ensuring that the Security Council is acutely aware of the wide demand for resolving this question now has been met. We are not, therefore, pressing for immediate consideration of the new members question in the Ad Hoc Committee. We feel at the moment that it would be better to let the Ad Hoc Committee conclude its current item on Palestine refugees before taking up new members. This would leave the Great Powers in the Security Council probably another week in which to try to reach agreement. While there will be informal meetings of part or all the Security Council in this period, Lodge has given us to understand that he will not precipitate an early formal meeting of the Security Council at which the admission might be blocked by disagreement between the United States and the U.S.S.R.

2. We have made it perfectly clear to the United States and United Kingdom delegations that the countries co-sponsoring our draft resolution are fully aware of the delicate balance on this subject in the Security Council and of the need to work out very carefully in advance a distribution of votes which will ensure seven affirmative votes to all agreed candidates. At a Commonwealth meeting this morning, I assured Dixon as we had on several occasions that it was never intended that action would be taken in the Ad Hoc Com-

mittee or elsewhere without the fullest consultation with him and Lodge on the co-ordination of such action with Security Council action and we expected that there would be no repetition of Lodge's attempt to forestall our efforts by a sudden formal Security Council meeting called without consultation.

3. We cannot, of course, agree that under no circumstances should the Ad Hoc Committee begin discussion of this item before the Security Council has met officially on it. If the Security Council has not resolved the problem when the current item ends in the Ad Hoc Committee, it would be very difficult, and I think unwise, to oppose discussing the item in the Committee at that time. It is still our view that a resolution passed by a nearly unanimous vote in the Assembly would have a very salutary effect on the Security Council. Non-permanent members of the Security Council who will have to vote in favour of Communist candidates on which the United States may be abstaining will find their positions much easier if they can base their vote on such an Assembly resolution. In any event, the timing of further action in the Assembly cannot be fixed rigidly now; to a large extent it must depend on the progress made by the Security Council in its informal efforts to ensure seven affirmative votes for as large a group as possible of the outstanding applicants.

R.A. MACKAY

27.

DEA/5475-CR-40

*La délégation à l'Assemblée générale des Nations Unies
au secrétaire d'État aux Affaires extérieures*

*Delegation to United Nations General Assembly
to Secretary of State for External Affairs*

TELEGRAM 312

New York, November 19, 1955

CONFIDENTIAL. IMPORTANT.

NEW MEMBERS

Mr. Martin and I had a brief chat with Kuznetsov yesterday on new members. Kuznetsov said that he had thought it necessary to give a press conference since there seemed to be some speculation among delegations and perhaps the American people as to whether the U.S.S.R. might weaken on the question of Outer Mongolia. He emphasized that as far as they were concerned it was eighteen or nothing. When Mr. Martin casually mentioned Japan and Spain, Kuznetsov said it had not been easy for his government to accept them.

2. With respect to procedure, Kuznetsov said that they were quite willing to sit down with the Americans and discuss in detail the probable support for the various applicants. He said they had also discussed the issue with other members of the Security Council except the Chinese and he implied that they could not, of course, talk to them. He did not mention to us the plan which we understand they have tried out on certain other delegations namely that the Security Council and the Assembly might meet at the same time and deal with each application in turn.

3. Kuznetsov raised the question of action in the Ad Hoc Committee. He said that he thought it was desirable to bring as much pressure as possible on the Council and a meeting of the Ad Hoc Committee before the Council met would be useful. He suggested interrupting the present debate in the Ad Hoc Committee to get on with new members and suggested that perhaps this should be done by Tuesday or Wednesday next. Mr. Martin demurred on the grounds that it was most desirable to see first whether the Council could

solve the issue without additional pressure. We pointed out that the fact that we had twenty-five sponsors and that we knew that many other delegations would support the resolution was good evidence of strong Assembly support. We also suggested that it might seem like undue pressure on the Security Council to interrupt the present debate in the Ad Hoc Committee. However, we made it clear that we would be quite willing to support action in the Ad Hoc Committee when the present item was completed and if the Security Council procedure was not proving satisfactory.

4. Mr. Martin also stressed the desirability of clearing the Algerian item out of the way first and he expressed the hope that the USSR delegation would do what it could to facilitate this. Kuznetsov pointed out that they had not said anything in the previous debate and implied that it would be inappropriate for them to say anything on the subject if it were brought up again. (We do not, of course, propose to delay action pending disposal of the Algerian item, but it was a useful counter suggestion to Kuznetsov's argument for immediate action.)

5. Late yesterday afternoon the Russians put in an amendment to our draft resolution listing the eighteen countries in order of date of application. The list thus begins with Albania and Outer Mongolia. They did not mention this move to us in the discussion earlier. It may be that this move is to clarify and reinforce their position on the eighteen, or it may be an attempt to get an Assembly vote country by country in advance of action by the Security Council in order to avoid "double-crossing" in the Assembly, which they probably fear. This amendment will no doubt have to be discussed with our co-sponsors and we propose to call a meeting early in the week. The amendment will obviously be embarrassing to some of them who would be reluctant to face a country-by-country vote in the Assembly before the Security Council acts. We suggest that our line should be that no action should be taken on the Russian amendment for the time being since if the Security Council does reach a satisfactory conclusion it would be superfluous. We should like instructions on this not later than Monday.

6. Although the Russians would no doubt prefer Assembly action first I think they are more interested in results than in procedure. As I think you know, an informal discussion of representatives of the U.S.S.R., the United States, the United Kingdom and France is scheduled for today (Saturday) and if this goes well from the Russian stand point they may be more disposed to accept Council procedure first. However, we should not overlook the temptation, which Assembly action first offers them, of isolating the United States in the Assembly.

7. Action required — instructions about the Russian amendment.

[R.A.] MACKAY

28.

DEA/5475-CR-40

*Le secrétaire d'État aux Affaires extérieures
à la délégation à l'Assemblée générale des Nations Unies*

*Secretary of State for External Affairs
to Delegation to United Nations General Assembly*

TELEGRAM V-153

Ottawa, November 21, 1955

CONFIDENTIAL. IMMEDIATE.

Reference: Your telegram No. 312 of November 19, 1955.
Repeat Washington V-1954; London V-1903; Paris V-760.

NEW MEMBERS

We share your preference of waiting to see what action will be taken by the Security Council and would hope that the possible embarrassment which the Russian amendment might cause some countries could be obviated by favourable council action.

2. In the alternative it would appear difficult for us to oppose the Russian amendment since it represents a not unreasonable attempt to minimize the very real danger from their point of view that they might become the victims of a "double cross" in the Assembly. If all or even the great majority of the co-sponsors were willing to accept a country by country vote in the Assembly before the council acted, we might well be obliged to accept the Russian amendment and in such circumstances vote in favour of it. We should hope, however, that for the present no decisive position would have to be taken on this point.

[L.B.] PEARSON

29.

DEA/5475-CR-40

*L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures*
*Ambassador in United States
to Secretary of State for External Affairs*

TELEGRAM 1941

Washington, November 23, 1955

CONFIDENTIAL. IMMEDIATE.

Reference: Your No. V-1954 of Nov. 21 to Washington.

Repeat New York No. 26.

NEW MEMBERS

Following from Glazebrook, Begins: At his request I called on the Secretary of State this morning and found that he wished to speak on the question of new members of the United Nations. Livingston Merchant was present.

2. Mr. Dulles expressed with some vigour the view that the Canadian Government had not adequately consulted the United States Government on what he called "the Canadian proposal". He said that in view of the relations between the two countries, he would have expected a more co-operative attitude. The United States administration had been as helpful as it could to Canada, for example in excluding Canada from the restrictions on imports of oil.⁴⁵ In general, he expressed the view that the neighbourly relationship which normally existed had not obtained in the case of the new members question. He had first seen the "Canadian resolution" when it was shown to him by General Franco in Madrid.

3. I expressed regret that he felt that there had not been adequate consultation, but reminded him that there had been a series of discussions between this Embassy and the State Department on the subject beginning at the middle of August. I said that at that time we had explained the desirability of a positive approach and outlined the thinking in your telegram No. 1418 of Aug. 11† (this conversation was reported in our 1376 of Aug. 12†). I said that we had been made aware by State Department officials of the serious difficulties which they foresaw and that we had at least thought that there had been an exchange of views here and later in New York.

⁴⁵ Voir/See Document 384.

4. Mr. Dulles said that perhaps there had been some lack of co-ordination in the State Department; and added that the Canadian draft resolution had in fact been seen by the United States delegation in New York some days before it was shown to him by Franco.

5. In conversation it developed that his reference to lack of consultation was principally to what he considered to be our failure to discuss the proposed draft in New York or here before it became known to other countries.

6. The Secretary then argued that by placing Outer Mongolia in the list of seventeen (later eighteen), we had made a concession to the Russians which he regarded as unnecessary and which destroyed the possibility of negotiation. The administration was now, he said, faced with a very serious political difficulty. He went so far as to say that he would expect in Congress an argument that Mr. Pearson had made a bargain with Mr. Molotov behind the backs of the United States. He indicated that it was impossible for the United States to consider Outer Mongolia. Moreover, this created a great difficulty with the Chinese Nationalist Government (Merchant added after we left the Secretary's room that the belief that the United States could influence the Nationalist Chinese vote in the Security Council was erroneous and that they would expect a veto by Nationalist China of Outer Mongolia).

7. No reference was made in the Secretary's remarks to the general problem of new members or to any alternative plan to what he referred to as the "Canadian resolution". His whole theme was that by lack of adequate consultation we had put the administration into an extremely difficult position. I was not invited to make any remarks on the substance of the matter. While expressing regret that there seemed to him to have been a lack of consultation, I confined myself to making several references to the consultations which had in fact taken place. I also recalled to him our original hope that some agreement could be reached between the four Great Powers.

8. Mr. Dulles made a plea for time, even if it amounted to only a few days. He asked that the introduction of the resolution in New York be put off as long as possible.

9. I telephoned this plea for time immediately to Mr. MacKay. Ends.

30.

DEA/5475-CR-40

*La délégation à l'Assemblée générale des Nations Unies
au secrétaire d'État aux Affaires extérieures*

*Delegation to United Nations General Assembly
to Secretary of State for External Affairs*

TELEGRAM 344

New York, November 23, 1955

SECRET. IMMEDIATE (FOR CANADIAN EYES ONLY).

Reference: Washington Telegram to Ottawa No. 1941 of Nov. 23.

Repeat London No. 186; Paris No. 121; Washington No. 148.

NEW MEMBERS

Following From Martin: I am considerably disturbed to learn that it is Dulles' view that the Canadian Government had not adequately consulted the United States Government on our proposal for the admission of new members. There is no justification for that view nor for the suggestion that we have not been sufficiently co-operative with the United States in this matter. As you are aware and as Glazebrook pointed out to Dulles, our embassy in Wash-

ington first began to discuss this question with the State Department about August 12. It was pointed out then that we were anxious to consult with the Big Three on formulating our policy in this field and that you considered that you were virtually committed as a result of public statements supporting the admission of all membership applicants except North and South Korea and North and South Vietnam. The embassy reported at that time that the United States was also anxious to break the deadlock but had not yet found its way around the various problems.

2. On September 12 our ambassador in Washington reported that he had raised the question of new members with Hoover of the State Department and reminded him of the Canadian views. Apparently then Dulles was still considering the question and had not yet reached any firm decision.

3. You will recall the discussions which you had with Dulles during the last week of September. Dulles also exchanged views with me in New York a few days later. In all these conversations, as far as I am aware, we left no doubt about our sincere desire to see some solution of the problem at the current Assembly.

4. It will also be recalled that I expressly mentioned the desirability of admitting seventeen applicants in my speech in the general debate in the Assembly. As I recollect Mr. Dulles was then present. Since Spain had not then applied there could be no doubt that I included Outer Mongolia in the seventeen.

5. In readiness for possible action in the Assembly we prepared the draft resolution which was sent to you in my telegram No. 60 of October 3 but, because we knew that action in the Assembly depended on an agreement being reached among the Great Powers, we did not press the matter, other than to continue our informal consultations among the various delegations concerned. As was reported in our letter No. 22 of October 12† we sensed a reluctance, on the part of the United Kingdom and the United States in particular, to commit themselves on the question of new memberships at the present session. Neither the United Kingdom nor the United States delegations seemed disposed to enter into serious discussions on how we might proceed.

6. It was not until October 24, after I had learned that Menon was beginning to consider actively whether he should circulate a draft resolution on new members, that we decided to circulate our own draft. Our intention was to solicit the views of interested delegations. As we reported at the time we approached informally a number of our close friends, including the Commonwealth delegations, the United States, the Scandinavians, one or two Latin Americans and the French. The immediate reaction was a renewed effort on the part of the United Kingdom, with we believe the blessing of the United States delegation, to dissuade us from pursuing the matter in the General Assembly. The first draft of the resolution was distributed to about a dozen delegations and only to those who had expressed to us a close interest in the subject.

7. During all this time, as you know, informal conversations were taking place (here and later at Geneva) among the Great Powers but there were no indications of an earnest desire to negotiate a solution. The United Kingdom Government did declare itself in favour of our proposal to admit eighteen, although it was apparent from the attitude of their delegation here that the United Kingdom had no enthusiasm for the proposal. In these circumstances and because time was running out, I considered that it was necessary to take steps to ensure that eventual action by the Assembly could be taken and that the initiative would remain in Western hands. On November 10 (17 days after the first draft was circulated) we revised our draft resolution, among other things to eliminate the listings of the states concerned, and began to approach other delegations about co-sponsorship. At that time, we

informed the United Kingdom and United States delegations about our intention to proceed. I concluded from previous conversations that we could not persuade them to take any positive steps toward a solution. On the same day we had a long discussion of the whole subject, including the course we proposed to follow, with Lodge and Dixon and their advisors (My telegrams Nos. 269-71 of November 11).

8. At no stage in these proceedings did we leave any doubt about the inclusion of Outer Mongolia in the Canadian proposal. I had in mind your intervention in the Standing Committee in which you said, among other things, that "I think it would probably be a good thing if they were all in, even Outer Mongolia, about which I have very little information." Other powers among the prospective co-sponsors shared our belief that any effort in the Assembly should be directed toward attaining the widest possible membership and Menon had expressed an intention to insist on the inclusion of Outer Mongolia. Accordingly, it seemed inevitable that we should envisage the group of eighteen in presenting our draft resolution. Of course, if the great powers could reach an agreement without including Outer Mongolia, we would not have pressed for its inclusion. However, there seemed to be no disposition to reach an agreement on any group, mainly because of Soviet insistence on eighteen or nothing and the United States rejection of Outer Mongolia.

9. On November 15, when I learned *indirectly* that the United States delegation had sent a letter to the President of the Security Council notifying him of their desire to have a meeting to discuss new members, I arranged for a meeting of our co-sponsors. As I reported in my telegram No. 293 of that date, I discussed our intentions with Lodge before the meeting was held. After the meeting, I reported the views of the other co-sponsors to Lodge and Dixon.

10. At the second meeting of co-sponsors, held on the following day, and in deference to view expressed by the United States and the United Kingdom delegations, we changed the wording of our draft resolution to exclude reference to "universality" and to speak of "the widest possible membership of the United Nations." Both Lodge and Dixon said that the changes in the draft resolution would "make their position easier." (My telegram No 298 of Nov 16.)

11. As for Dulles' plea for time, we have made it clear to all concerned that we have no intention of interrupting the current proceedings in the Ad Hoc Political Committee on Palestine refugees. This item is unlikely to be disposed of before the end of this week because as yet there has been no agreement on a draft resolution. When consideration of that item has been completed, however, there will undoubtedly be a strong demand that the admission of new members be considered next. Menon has already indicated that he does not wish to proceed at this stage with the discussion of the treatment of Indians in South Africa. Accordingly, as a matter of regular procedure, we expect the item on new members to be called early next week. Since our draft resolution is now a matter in the hands of twenty-five co-sponsors and since the majority of these are anxious to have the matter considered soon, I see no possibility of delaying discussion beyond the date when it comes up for discussion. In my view it would be not only disastrous to the Canadian position to ask for a further delay but extremely risky from the point of view of all the Western powers.

R.A. MACKAY

31.

DEA/5475-CR-40

*Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis*

*Secretary of State for External Affairs
to Ambassador in United States*

TELEGRAM G-2008

Ottawa, November 28, 1955

CONFIDENTIAL. IMPORTANT.

Reference: Your telegram No. 1941 of November 23 and Assembly Delegation's telegram No. 344 of November 23 addressed to Ottawa

NEW MEMBERS

The delegation's telegram seems to us to cover pretty thoroughly the consultation with the United States on new members which took place here as well as in Washington and New York. We might however offer in addition several suggestions as to arguments which might be used.

(1) An important American complaint is that by including Outer Mongolia in our proposal we removed the possibility of negotiation. We should point out to the Americans, however, that we gave serious consideration to this aspect of the question and came to the conclusion that no purpose would be served in leaving out Outer Mongolia because of the unlikelihood that any satisfactory bargain could be reached. In our view, a view shared by our co-sponsors, the only way in which the Russians might conceivably have been reconciled to the omission of Outer Mongolia would have been to omit either Japan or Spain or both from the "Western list." We had told the Japanese that we could not consider a proposal from which they were omitted and had emphasized our support of Japan in Mr. Martin's opening speech at the Assembly. It was our deliberate intention that Japan should be included and we were not prepared to sacrifice that country to exclude Outer Mongolia. The moment Spain applied for membership we also included her on our list, thus making it even more unpalatable to Moscow. It did not seem to us likely, furthermore, that the United States would be prepared for strategic and political reasons to negotiate away the membership of either of these countries. It seemed to us therefore that it was an illusion to think that Outer Mongolia was a good subject for negotiation and we included it in order to remove this illusion and to put the problem bluntly and simply.

(2) It might be mentioned that in addition to the consultation with the Americans at a higher level the subject was constantly discussed between Canadian and American advisors in New York. Members of the United States Embassy here were informally in touch with this department on the subject for several months and we assume that this was the case also in Washington. Certainly, the United States advisors in New York were aware of our intentions at all times. It would probably not be wise to say so to Mr. Dulles, but some of these advisors encouraged us to go ahead (e.g. paragraph of telegram No. 187 of October 26 from the delegation to Ottawa).

(3) Our inability over a long period to get any response whatsoever from the Americans on this question should be mentioned in particular. We were given to understand during this period that United States policy had not been decided because Mr. Dulles himself had not made up his mind. In the meantime, we found ourselves almost involuntarily out in

front and could not ignore the requests from all quarters in the Assembly that we should take a lead.

(4) Mr. Dulles's complaint about lack of consultation sounds reasonable enough but he is, no doubt unintentionally, virtually suggesting that we should not have proceeded without United States consent. We did consult the United States from the moment we began considering what we should do. After a very considerable time the Americans made it clear to us that their views were different. At that point we had the alternative of accepting the American opinion with which we did not agree or continuing on our own. By that time we could not have turned back even if we had wanted to do so, as others were ready to take the lead. There was not much point, however, in concerting action with a country which had made it clear that it did not agree with what we were doing. Naturally our association from then on was not of the same kind as it is in the vast majority of cases when we are in agreement on a resolution or a proposal.

(5) These arguments are, of course, not ones which should be submitted in this form to the State Department, but they might be useful for your own background information.

32.

DEA/5475-CR-40

*La délégation à l'Assemblée générale des Nations Unies
au secrétaire d'État aux Affaires extérieures*

*Delegation to United Nations General Assembly
to Secretary of State for External Affairs*

TELEGRAM 365

New York, November 30, 1955

CONFIDENTIAL. IMPORTANT.

Repeat London No. 194; Paris No. 127; Washington No. 157.

NEW MEMBERS

Early this afternoon the co-sponsors of our draft resolution on this subject met to discuss the next step in procedure leading to discussion by the Assembly. Twenty-seven member states were represented at the meeting. Chile and Ethiopia have added their names to the original group of twenty-five. We understand that Ecuador and the Dominican Republic also wish to be added.

2. The meeting first discussed whether we should proceed now with the discussion in the Ad Hoc Political Committee. Mr. Martin explained that the Palestine item was likely to conclude today. Menon confirmed that his delegation had no wish to press for the discussion of the item on the treatment of Indians in South Africa, which item was originally scheduled to be debated after Palestine refugees. It was clearly the view of the co-sponsors that the item on new members should now be discussed. It was agreed that the chairman of that Committee should express his impression that it was the wish of the Committee that the admission of new members be discussed next. If no one objected, the chairman would declare that the new item would be discussed at the following meeting, that is, on December 1. Prince Wan, who was present, was perfectly agreeable.

3. The meeting also discussed whether Belaunde or Mr. Martin should initiate the discussion. Menon, Munro and others considered it advisable and courteous to let Belaunde, as Chairman of the Good Offices Committee, present his report, a report which the item calls for. Spender and some others were of the view that Belaunde might start the discussion on

the wrong note and they would prefer that Mr. Martin spoke first. It was agreed that the chairman and Mr. Martin should discuss the matter with Belaunde to seek a mutually acceptable procedure.

4. The meeting discussed how to deal with the Russian amendment. Mr. Martin pointed out that in the Canadian view the Russian suggestion that the eighteen states be listed would be divisive in consequence and would not help our general purpose of having the Assembly express itself with the greatest possible authority. It was clear that the Soviet objective was to ensure, as far as possible, that a two-thirds majority would be forthcoming from the Assembly for the Soviet candidates. This result might, however, not be obtained and, on the contrary, the Assembly might speak with a divided voice. It was more than likely that some delegation would ask for a vote upon the list, country by country.

5. Australia, Pakistan and Sweden supported Mr. Martin strongly. The Burmese representative was of the same opinion and urged that all the co-sponsors make an effort to persuade the Soviet Union to withdraw its amendment. Menon expressed the view that the Soviet amendment could not be voted down, that the Russians had good reasons for pressing the amendment but that these reasons were likely to disappear once a number of delegations had expressed their views on the admission of new members in the committee. He believed that at a later stage the Soviet Union would either withdraw the amendment or not press it to a vote. Menon said that he had made a considerable effort to persuade the Soviet delegation not to table their amendment.

6. Mr. Martin pointed out that he, Munro and Sarper had urged Malik to reconsider carefully the consequences of the Soviet amendment. They had all argued that the amendment would weaken the present draft resolution.

7. The representative of Denmark said that the Soviet amendment had clearly been advanced because the Soviet delegation were suspicious of Western intentions. They wished to ensure that the draft resolution encompassed the applications from eighteen states and not something less. He hoped that the Soviet apprehensions would disappear once the supporters of the resolution had had an opportunity to state their positions. There was reason to believe that in these circumstances the Soviet Union would not press its amendment to a vote.

8. As soon as the proceedings concerning Palestine refugees had been completed, Prince Wan reminded the committee of the suggestion that the admission of new members be discussed next. He hastily added that there appeared to be no objection and that the item would therefore be discussed tomorrow afternoon. He then adjourned the meeting. No delegation seemed interested in opposing the procedure which the chairman suggested.

9. The announcement yesterday of the Chinese delegation that it would if necessary veto the application of Outer Mongolia was discussed at the meeting of co-sponsors. It was clearly considered to be an issue which did not arise at the present stage. There is some speculation that this Chinese announcement is an opening bid in the process of bargaining, although the possibility that the Chinese Government is in earnest cannot be dismissed. We understand that Eisenhower's first appeal, made in the middle of last week, to Chiang Kai-Shek to agree not to veto Outer Mongolia was rejected. A second appeal by Eisenhower was still awaiting answer when the announcement was made yesterday.⁴⁶

⁴⁶ Voir/See *FRUS 1955-1957*, Volume XI, pp. 388-389, 464.

33.

DEA/5475-CR-40

*Le secrétaire d'État aux Affaires extérieures
au chef de la délégation à l'Assemblée générale des Nations Unies*

*Secretary of State for External Affairs
to Head, Delegation to United Nations General Assembly*

TELEGRAM Y-184

Ottawa, November 30, 1955

CONFIDENTIAL. IMPORTANT.

Repeat Washington No. Y-2025.

ADMISSION OF NEW MEMBERS — REPORTED CHINESE NATIONALIST
INTENTION TO VETO OUTER MONGOLIA

Although it has been reported in the press that President Eisenhower has made two appeals to President Chiang Kai-shek that the Chinese Nationalist Representative in the Security Council should refrain from using the veto to block the entry of Outer Mongolia into the United Nations, and thereby upset the so called package deal, you may consider that as Canada has been a principal sponsor of the admission of the eighteen applicants it might be appropriate for you to speak to the Chinese Ambassador to Canada, Dr. Liu Chieh, who, we understand, is with the Chinese delegation in New York at the present time.

2. If you do decide to speak to Dr. Liu we think that you should be careful to avoid any implication that if the Chinese Nationalists should refrain from vetoing the application of Outer Mongolia Canada would reverse its policy trend on recognition of the Peking régime but you could imply that the trend toward recognition in Canada and in other countries might well be accelerated if the Chinese Nationalists should block this Canadian initiative when other governments like that of the United States and the Soviet Union have agreed to forego the veto in this instance.

3. You might wish to start off by telling Dr. Liu something about our role in taking this initiative, emphasizing the very strong desire of certain of the applicants like Japan, Italy and Spain to get into the United Nations and the extent to which they are relying on this resolution to achieve that objective. You might indicate the efforts that have been made over the years to get Security Council members to renounce the use of the veto on the applications of new members.

4. It is for the Chinese Nationalist government of course to weigh the various factors involved in this case. No doubt they have strong direct reasons for opposing the entry of Outer Mongolia in the United Nations. Neither are we enthusiastic about this prospect but view it as part of a whole in which we think that the advantages for the non-communist world and the United Nations as a whole outweigh the disadvantages. We hope that the Chinese Nationalist government will give similar consideration to these broad factors and also to the likely effect on public and governmental opinion in countries with which they still maintain official relations if they should persist in vetoing the application of Outer Mongolia in the Security Council.

[J.] LÉGER

34.

DEA/5475-CR-40

*La délégation à l'Assemblée générale des Nations Unies
au secrétaire d'État aux Affaires extérieures*

*Delegation to United Nations General Assembly
to Secretary of State for External Affairs*

TELEGRAM 371

New York, December 1, 1955

CONFIDENTIAL. IMMEDIATE.

Repeat London No. 199; Paris No. 132; Washington No. 162.

NEW MEMBERS

On December 2 in the afternoon there will be a meeting of the co-sponsors of our draft resolution specifically to consider two amendments which the Indian delegation has now suggested. They are: (a) to substitute in the second operative paragraph after the words "applications for membership of" and for the word "all" the words "eighteen countries which are"; (b) add the following as the third operative paragraph and renumber accordingly: "3. Request the President of the General Assembly to transmit to the Security Council this resolution and the proceedings in the General Assembly leading to its adoption."⁴⁷

2. (b) should give us no trouble although the procedure hardly seems necessary. Menon has paved the way by requesting that a *verbatim* record be kept in the Ad Hoc Political Committee of the debate on new members.

3. The Indian suggestion (a) is designed to remove the strong suspicion which the Soviet delegation has that our resolution as presently drafted does not encompass a group of eighteen. The Indians argue that if their amendment is accepted by the other co-sponsors, it will strengthen our efforts to persuade the Soviet delegation either to withdraw their own amendment (which lists the applicant States) or not to press it to a vote. The Indians have strengthened their own case by persuading the Afro-Asians among the co-sponsors that the Indian suggestion is a good one. Moreover, undoubtedly most of our co-sponsors who speak in the debate will emphasize that the present language in the draft resolution does mean eighteen, although not necessarily "eighteen or nothing", which is the Soviet delegation's position. In all these circumstances we think it would be inadvisable to oppose the Indian suggestion and we shall ultimately take this position in the meeting of co-sponsors tomorrow unless you instruct otherwise or there is strong opposition from others among our group, like the Scandinavians, Australia and New Zealand.

4. After listening to Kuznetsov's most unhelpful statement in the Ad Hoc Political Committee today we have little doubt that the Soviet delegation will continue to insist on eighteen admissions or nothing. It is our impression that the United States and the United Kingdom delegations are likewise persuaded. The previous reasons for maintaining some flexibility as to the number of members to be admitted now seem less pressing. Accordingly there is now not much point in avoiding the word "eighteen".

⁴⁷ Le 2 décembre 1955, le Ministère s'est rangé à l'avis exprimé dans ce message et a accepté les modifications proposées par l'Inde.

On December 2, 1955, the Department agreed with the views expressed in this message and accepted the amendments suggested by India.

35.

DEA/5475-CR-40

*La délégation à l'Assemblée générale des Nations Unies
au secrétaire d'État aux Affaires extérieures*

*Delegation to United Nations General Assembly
to Secretary of State for External Affairs*

TELEGRAM 373

New York, December 1, 1955

CONFIDENTIAL. IMPORTANT.

Reference: Your telegram Y-184 of November 30.

Repeat London No. 200; Paris No. 133; Washington No. 164.

NEW MEMBERS

We were unable to arrange a meeting with Liu until after the Ad Hoc Political Committee had begun the debate on the admission of new members. Immediately after the meeting this afternoon, however, Messrs. Martin and MacKay discussed the matter with Tsiang and Liu.

2. We began the discussion by enquiring about the Chinese attitude toward the resolution which the Canadian delegation had introduced in the Ad Hoc Committee. Tsiang stated that his instructions were, as indicated in the announcement he made two days ago, to veto "if necessary", the application of Outer Mongolia. He stated that, as far as he was aware, Chiang Kai-shek had not replied to the second appeal made by Eisenhower. (The United States delegation told us today that no reply had been received to the second message from the President).

3. Mr. Martin then reviewed the circumstances in which we had pressed our initiative designed to bring about the admission of eighteen new members. He pointed out, as he had done in his statement in the Ad Hoc Committee, how important this development was for the United Nations and for international relations generally. He expressed the hope that the Chinese government would find it possible to facilitate the aim for which Canada and a large majority of the members of the United Nations were striving. He stated that we were aware of the fact that Tsiang intended to speak on the subject at tomorrow's meeting of the Ad Hoc Committee. He said we hoped that Tsiang would bear in mind the consequences which might derive from any adverse position which he might adopt in the debate.

4. Tsiang said that his government was aware of the significance of the present proceedings in the Ad Hoc Committee. Notwithstanding his present instructions, in his statement tomorrow (December 2), he would not "cross the Rubicon". When questioned he said that he would not say anything tomorrow which would prejudge the position which the Chinese delegation might adopt in the Security Council when the outstanding applications for membership were being considered.

5. He went on to express his opinion that his instructions concerning the veto of the application of Outer Mongolia would not be changed. He said that Chiang Kai-shek's reply to Eisenhower's second message would like the first be negative. He did add, however, that time might provide a solution to the present problem. When questioned on this point he said that although the General Assembly might endorse our draft resolution by an overwhelming majority, if some time were allowed, he suggested several months, for the Security Council to implement the request embodied in our resolution, it might then be possible to arrive at a satisfactory solution (our draft resolution of course requests the

Security Council to report to the present session). The implication seems to be that the Chinese Nationalists are interested in buying time.

6. This conversation bears out the information which the United States delegation has given us about the suicidal state of mind of the Chinese Nationalists. It was for this reason, no doubt, that the Japanese observer here has been suggesting to the United States delegation and through them to us that if some assurance could be given to Chiang Kai-shek that his régime could survive for a further period, presumably until after the next presidential election in the United States, he would agree not to block the admission of the group of eighteen. As we reported on the telephone Belaunde has already given some such assurance on behalf of the Latin Americans. We agree that we should not give any undertaking to that effect. It might, however, be helpful if some other delegations, representing different areas, were to urge the Chinese, as we have done, to bear in mind the consequences which might follow quickly on the heels of a veto of any application for membership. The combination of the Latin American carrot and the threat of a big stick by others might have the desired effect on Chiang Kai-shek notwithstanding his suicidal tendencies.

7. We need not dwell in this telegram on the unfortunate consequences which might derive from a Chinese veto which would wreck the present move to facilitate the admission of new members. It is becoming increasingly clear Menon is paving the way for swift retribution by devising means for calling the General Assembly into session early in the new year. I refer to his draft resolution on disarmament which is being reported separately.⁴⁸

36.

DEA/5475-CR-40

*L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures
Ambassador in United States
to Secretary of State for External Affairs*

PERSONAL AND CONFIDENTIAL

Washington, December 2, 1955

Dear Mike [Pearson],

Although this cannot leave until Monday's bag (December 5), I think I had better record right away, while it is fresh in my memory, my conversation earlier this afternoon with Livingston Merchant about Mr. Dulles' charge that we failed to consult adequately with the U.S. government concerning our initiative in the United Nations with respect to new members.

2. I had let Merchant know in advance what I wanted to talk about and began by saying that I came to him for two reasons: first, he was present when the Secretary called Glazebrook in on November 22nd, and second, our personal friendship would make it easier for me to speak with complete frankness. I added that I had waited until you and Paul Martin had had a chance to see Cabot Lodge in New York, and that later on — probably toward the end of next week, I proposed to seek an interview with Dulles to enter a more formal rebuttal of his allegations.

⁴⁸ Voir Nations Unies, *Assemblée générale : Documents officiels, dixième session*, Points 17 et 66 de l'ordre du jour, New York : Nations Unies, 1955, p. 8, document A/C.1/L.149/Rev. 1.

See United Nations, *General Assembly: Official Records, Tenth Session*, Agenda Items 17 and 66, New York: United Nations, 1955, p. 7, Document A/C.1/L.149/Rev. 1.

3. Then I ran over briefly the high points of our consultations on the new members problem with various U.S. officials in Washington, in Ottawa and in New York. These extended over a period of some three months, and I said we intended to record, for their elucidation, the main features of this story, which I was confident would demolish completely the charge of non-consultation. The U.S. government had been made aware of our views and intentions in August and at various stages prior to the tabling of our resolution they had had ample opportunity to express their views.

4. I then went on to say that, in these circumstances, we had been, to put it mildly, surprised that the Secretary of State should, in my absence, summon the Minister at the Embassy and haul him over the coals in the way he did. (I did use the word "resent" with Merchant, though I said I would probably employ a less undiplomatic term when I saw Dulles). We took particular exception to Dulles' reference to what the U.S. government had "done for Canada" in putting us on the same basis as Venezuela in regard to imports of oil. Nor did we appreciate, even if it were attributed to a hypothetical Member of Congress, the suggestion that you and Molotov had cooked up a deal in Moscow.

5. The Secretary's complaint in this matter, I continued, caused us to wonder about the nature of consultation generally between our two governments. Merchant was quite aware that in all subjects in which we knew the U.S. government were interested we made an effort, at different levels, to keep them informed of our views and intentions and to seek theirs. He also knew that I had deliberately made it a practice not to bother the Secretary himself unless there was good reason. I could quite easily alter this custom and beat regularly on his door though I would prefer out of consideration for Dulles to continue to deal with his senior officials, except on special occasions.

6. On the whole, I said, we on our side had no complaint on the extent of their reciprocity in consulting us, considering the number and variety of their responsibilities and preoccupations. We assumed that when Mr. Dulles spoke of consultation on our part he was not suggesting that the United States be given a veto over any action we proposed. On Monday next we were to engage, with high American officials, in another "meeting of consultation".⁴⁹ I had seen little evidence of much enthusiasm or even interest on this occasion on the U.S. side. Perhaps we should consider putting an end to these periodic meetings and rely upon the normal diplomatic channels.

7. I then made reference to the fact that wherever you had gone on your recent trip you had made a point of seeing and talking to the local U.S. representatives. You had also, incidentally, gone out of your way to defend and explain American policies in countries not notably friendly to the United States. There had been no slightest acknowledgement of this from Washington, and you returned to encounter a complaint from the Secretary, and one without any foundation in fact. As to the issue itself — new members for the United Nations — we were following a course in New York which we believed to be in the general interest of the United Nations, and in the particular interest of Canada, the United States and the free world. We remained of that opinion for reasons which we had exposed fully to the United States and to our other allies and friends. You fully endorsed the attitude and actions of the Delegation in New York and this had been made quite clear to Lodge.

8. Finally I told Merchant that the suggestion that we (and you in particular) were not "friendly" to the present U.S. administration — a suggestion raised in a high official quarter — was strongly resented by us all. He knew quite well that this was utterly baseless.

⁴⁹ Voir/See Document 307.

9. When I paused to draw breath, Merchant responded to this calculated outburst by saying that there were a number of reasons which occurred to him why the Secretary had spoken as he had in his interview with Glazebrook. In the first place, the fact that he had been so frank and, admittedly "rough" was a measure of the intimacy of our relationship. He would not have talked that way to the British Ambassador. (A double edged observation I thought though not intended as such). In the second place, he was willing to admit that there had probably been some lack of co-ordination in the State Department so that Dulles was not fully aware of the consultations which had taken place between Canadian and U.S. officials. In the third place (and he said this very privately) the U.S. government had not decided upon a policy on new members until the Secretary himself had taken a decision in the aircraft on his way back from the Geneva meeting. (This, of course, is very significant and confirms our own strong suspicions). In the fourth place, it certainly had been a shock for the Secretary to learn first of the Canadian resolution from Franco in Madrid (no matter whose fault that was, Merchant implied). Finally, it was the inclusion of Outer Mongolia in the Canadian package which had really shaken Dulles. The implications for relations between the United States and Nationalist China were very grave. And here Merchant too introduced the spectre of Yalta.⁵⁰ (He added, incidentally, that if the Nationalists did veto Mongolia he supposed no one would believe that the U.S. had not put them up to it). Finally Merchant said that Glazebrook had conducted himself admirably at the interview with Dulles.

10. Answering Merchant's somewhat apologetic defence, I said that I found it difficult to understand why the United States had been surprised by the "inclusion" of Outer Mongolia. We were convinced that without it there was no hope of Soviet concurrence and the State Department should have been quite aware, a long time back, that we felt it worthwhile swallowing Mongolia to gain the larger end. However, it was not the merits we were discussing, but the procedure. We had our point of view, arrived at after weighing carefully the various factors — the United States government had theirs. What was involved, at the moment, was whether we had discharged our neighbourly obligation to consult the United States. We certainly felt that we had.

11. Merchant said that he was in no doubt at all of the value which the U.S. government attached to close consultation with the Canadian authorities. They certainly wished to continue the closest contacts and in particular the "meetings of consultation". He was glad that I had spoken as frankly as I had, and agreed that I should see the Secretary of State and that it would be wise for me to leave with him a memorandum on the facts of consultation in this case. He would welcome the opportunity himself of seeing the paper before it went to Dulles.

⁵⁰ Il semble que ce soit là une référence au premier article de l'accord de Yalta concernant l'entrée de l'Union soviétique dans la guerre contre le Japon. Il y est dit que le « *status quo* in Outer Mongolia (The Mongolian People's Republic) shall be preserved. » La politique des États-Unis à Yalta a suscité une grande controverse après la publication des documents de la conférence en 1955. Voir United States, Department of State, *FRUS, The Conferences at Malta and Yalta 1945*, Washington: United States Government Printing Office, 1955.

This appears to be a reference to the first article of the Yalta agreement regarding the entry of the Soviet Union into the war against Japan. It states that the "*status quo* in Outer Mongolia (The Mongolian People's Republic) shall be preserved." United States policy at Yalta was the subject of considerable controversy following the publication of the conference papers in 1955. See United States, Department of State, *FRUS, The Conferences at Malta and Yalta 1945*, Washington: United States Government Printing Office, 1955.

12. There for the moment the matter rests. I believe that my talk with Merchant may have some good results (even though of short duration), apart from mere rebuttal of the Dulles charge. We shall now draft a brief memorandum and I shall seek an interview with the Secretary when I shall hope to enter the rebuttal to his charge in terms rather different from those which I was able to employ with my friend Livvy Merchant.

Yours sincerely,

ARNOLD (HEENEY)

37.

DEA/5475-CR-40

*La délégation à l'Assemblée générale des Nations Unies
au secrétaire d'État aux Affaires extérieures*

*Delegation to United Nations General Assembly
to Secretary of State for External Affairs*

TELEGRAM 381

New York, December 3, 1955

CONFIDENTIAL

Reference: Your telegram No. V-189 of December 2.†
Repeat London No. 203; Paris No. 136; Washington No. 169.

NEW MEMBERS

Before the meeting of the Ad Hoc Committee in the afternoon of December 2 we held a meeting of the co-sponsors of our draft resolution to discuss the revisions which Menon had suggested and which we reported to you in our telegram 371 of December 1. We discussed first the proposal to include the word "eighteen" in the second operative paragraph.

2. As soon as Menon had made his suggestion for changing the wording, the Brazilian representative and several others suggested alternatives, all of which had the same effect, that is, of mentioning "eighteen" in the text. There seemed to be general agreement that if the inclusion of this word would allay Soviet suspicion and would tend to persuade the Soviet delegation to withdraw its amendment, it would seem desirable for the co-sponsors to make the suggested revision.

3. There was, however, some difference of opinion about the timing of the revision. The representatives of New Zealand, Burma, Iran, Indonesia and Yugoslavia expressed the view that it might be desirable to withhold our revision until more statements had been made in the general debate and the position of various Delegations became more clear. Mr. Martin said that we were in favour of withholding the revision which might be made to greater advantage a little later on. However, it was clear that Menon was determined to have this revision made at once. In the heated discussion which took place Menon stated that his Delegation would not be party to any draft resolution on this subject which was "deliberately equivocal". He seemed unduly annoyed at interventions made by Barrington of Burma and Entezam of Iran.

4. As a result the meeting agreed that the word "eighteen" should be inserted in the second operative paragraph between the words "membership of all those" and the words "about which". This revision has been circulated in Document A/AC.80/L.31/Rev.1 December 2, 1955. Because the meeting had to adjourn to allow delegates to attend the Ad Hoc Political Committee, no consideration was given to Menon's second suggestion about

the additional operative paragraph. He may be disposed to drop this suggestion which we regard as inconsequential.⁵¹

38.

DEA/5475-CR-40

*La délégation à l'Assemblée générale des Nations Unies
au secrétaire d'État aux Affaires extérieures*
*Delegation to United Nations General Assembly
to Secretary of State for External Affairs*

TELEGRAM 389

New York, December 6, 1955

CONFIDENTIAL. IMMEDIATE.

Repeat London No. 204; Paris No. 137; Washington No. 170.

NEW MEMBERS

There remain eight delegations inscribed to speak in the general debate on this subject. They are Peru, India, Venezuela, Soviet Union, China, Canada, France and the United States. In view of the general tenor of the debate it may not be necessary for us to intervene again. We did, however, at an earlier stage consider it desirable to request another opportunity to speak. If we do intervene again, it will be briefly to summarize our impression of the views which have been expressed by more than 35 delegations. There seems little doubt that the joint draft resolution which Canada and 27 other delegations have co-sponsored will receive overwhelming support in the committee. We understand that the Soviet amendment, listing the 18 countries the applications of which are recommended for consideration by the Security Council, will not be pressed to the vote. We hope the Cuban delegation will not press its amendments but if they are put to the vote we propose to vote against them. It is clear from the statements of a majority of other delegations that the Cuban amendments will not be accepted.

2. The timetable for future developments is likely to be as follows: The Ad Hoc Committee will adopt the joint draft resolution tomorrow, probably late in the afternoon; the Assembly will meet in plenary session on Thursday and presumably will adopt the report of the committee; the Security Council will more than likely meet on Friday to consider applications for membership, in accordance with the draft resolution. The recommendations of the Security Council would then be considered by the General Assembly early next week. This timetable emerged as a result of a procedural discussion in the Ad Hoc Political Committee this afternoon. Menon initiated this discussion at our suggestion and no objection was voiced when the chairman outlined the programme. This evening Munro, who is president of the Security Council this month, stated his intention to convene the security council on Friday.

3. We believe strongly that it is desirable to proceed with despatch in this matter. The overwhelming opinion in the committee is undoubtedly in favour of immediate action. The position of the Chinese delegation has yet to be clarified (in fact the Japanese observer informed us today that the reply from Formosa to Eisenhower's second message was

⁵¹ Pour le texte final de la résolution, voir Nations Unies, *Documents officiels de l'Assemblée générale, dixième session, Supplément N° 19 (A/3116), Résolutions, résolution 918 (X)*, 8 décembre 1955, p. 10. For the final text of the resolution, see United Nations, *Official Records of the General Assembly, Tenth Session, Supplement No. 19 (A/3116), Resolutions, Resolution 918 (X)*, December 8, 1955, p. 8.

unfavourable but that a third message was being sent urging reconsideration and suggesting that there was some assurance that the moratorium would not be re-opened in the immediate future). A significant number of speakers in the general debate in the Ad Hoc Committee have appealed to the Chinese delegation not to block (sweeping?) tide in favour of admitting all eighteen applicants. There have also been references to the repercussions which might result from a Chinese veto. There is no doubt that the Chinese delegation has been taking careful note of these observations.

4. Another diversion has been the attempt of the French delegation to obtain some assurance from other delegations, principally the Latin Americans, concerning the proposal that, if the eighteen new members are admitted, the rules of procedure should be revised to require a two-thirds majority for the inscription of items on the agenda. We are told that the French are having some success but now is not the time to reach a clear-cut understanding in that regard. We have no reason to believe that the French are prepared to block the admission of the eighteen new members, regardless of the outcome of their present manoeuvre.

5. The pressure of opinion in favour of admitting the whole group of eighteen is strong. The atmosphere for the solution of this long standing programme has never been as favourable as it is now. We are, therefore, cautiously hopeful that the results we desire will be obtained.

39.

DEA/8508-40

*Extrait du procès-verbal de la réunion hebdomadaire
des directions*

Extract from Weekly Divisional Notes

SECRET

Ottawa, December 12, 1955⁵²

* * *

THE UNITED NATIONS

1. ADMISSION OF NEW MEMBERS

United Nations Division: On December 7th the Ad Hoc Political Committee approved the 28 power draft resolution, initiated by Canada, exhorting the Security Council to consider "the pending applications for membership of all those 18 countries about which no problem of unification arises". The vote was 52 in favour, 2 against (China and Cuba), with 5 abstentions (Belgium, France, Greece, Israel and the United States). The General Assembly approved this resolution the next day by an identical vote.

On December 13 the Security Council met to consider this resolution. After the USSR had first vetoed a Chinese amendment calling for the addition of South Korea and South Vietnam to the list of those recommended for admission, the Council proceeded to consider the original resolution. China then vetoed the application of Outer Mongolia, whereupon the USSR retaliated by vetoing all 13 non-communist candidates and as a result the resolution as a whole was defeated.

⁵² La date fait référence à la semaine au cours de laquelle la réunion s'est tenue, c'est-à-dire du 12 au 17 décembre 1955.

The date refers to the week in which the meeting was held, e.g. December 12 - December 17, 1955.

The following day, the Security Council reassembled to consider a Soviet draft resolution calling for the recommendation of all those applicants on the previous list except Japan and Mongolia. The U.S. Delegation then proposed an amendment adding Japan and this received 10 favourable votes and one negative vote cast by the USSR and constituting a veto. The USSR resolution was then voted on and, after each of the 16 applicants had been approved individually, the resolution as a whole was adopted by a vote of 8 in favour, none against, and 3 abstentions (Belgium, China and U.S.).

When the voting concluded the U.S. submitted a further resolution to the effect that the Security Council recommends to the General Assembly that it admit Japan to the U.N. at its 11th session. A decision on this matter was postponed for a day at the request of the USSR.

At an emergency plenary session that evening, the Assembly approved by large majorities the recommendations of the Security Council and a draft Assembly resolution to the same effect (submitted by 30 powers including Canada). As a result the following states became members of the U.N.: Albania, Jordan, Ireland, Portugal, Hungary, Italy, Austria, Rumania, Bulgaria, Finland, Ceylon, Nepal, Libya, Cambodia, Laos and Spain.

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40.

DEA/5475-CR-40

*Note du secrétaire d'État aux Affaires extérieures
pour le sous-secrétaire d'État aux Affaires extérieures
Memorandum from Secretary of State for External Affairs
to Under-Secretary of State for External Affairs*

CONFIDENTIAL

[Ottawa], December 20, 1955

MEMORANDUM OF CONVERSATION WITH MR. DULLES
PARIS, DECEMBER 15, 1955

Mr. Dulles asked me when I reached Paris if I could call on him at the U.S. Embassy before the opening meeting of the NATO Council for a talk. I did so, and we had about 45 minutes together, Thursday morning.

The time was devoted almost entirely to the misunderstanding which had arisen over the alleged inadequacy on our part of consultation with them in regard to the proposal for enlarging U.N. membership. Mr. Dulles had been informed that I objected to the criticism which he had made of our non-consultative tactics in this matter. I reaffirmed my objection and once again emphasized that in our view we had been very careful to keep them informed of every move that we were making. For his benefit, I went over the record, which surely confirmed the validity of our position in this argument.

Mr. Dulles said that we perhaps did not appreciate the importance that was attached in Washington to the proposed inclusion of Outer Mongolia in the list of members. Politically this was most embarrassing for them as it would have revived the whole Yalta controversy, and as it would involve a Chinese Nationalist veto with serious resulting complications. He assured me that Senator Knowland and other congressmen would make a major political issue out of the Outer Mongolian inclusion and that they were already blaming Canada, in particular, for subjecting the United States to this embarrassment.

I reminded Mr. Dulles that I had discussed this matter with him at the U.S. Embassy in Ottawa even before I went to Russia and that at that time he had given no indication of the

strength of his feeling about Outer Mongolia. Indeed, he had not even mentioned Outer Mongolia, though he had indicated U.S. difficulties in the acceptance of Roumania, Hungary and Bulgaria.

Mr. Dulles remembered the conversation very well and also agreed that Outer Mongolia had not been mentioned. The reason for this, he said, was that he had no idea that Outer Mongolia was even being considered in our list as part of any "package deal". This, he said, was where the misunderstanding began.

I said that in my view we had the right to draw quite the opposite conclusions from his silence because I had specifically mentioned Outer Mongolia in Parliament in Ottawa, and the Embassy in conversations in Washington, as one of the "18". Mr. Dulles said he had not been informed of my remarks in Parliament and, indeed, may not have been kept sufficiently informed of discussions in Washington. He therefore not only regretted the misunderstanding, but also that Mr. Heeney had not taken the matter up direct with him or with Mr. Hoover. He understood that discussions had been with officials of the State Department on a lower level. I replied that as I remembered it, Mr. Heeney had had a discussion with Mr. Hoover, as I had had certainly with him. We also naturally assumed that this Department would have kept him informed of our views. Therefore I did not feel that we had any occasion to apologize, either in regard to the substance of the matter or the procedure adopted. It certainly was unfortunate that I did not realize that he had always excluded Outer Mongolia from any list. If he had told me this at the beginning, we would, of course, have given careful consideration to his views before we proceeded further. However we still felt that the original package deal of "18" was wise, as we had been categorically assured by the Russians that it was 18 or nothing.

Mr. Dulles argued that by the inclusion of Outer Mongolia from the beginning we had forfeited any room for bargaining or manoeuvre, and in the event it had been left to Nationalist China to bring about a satisfactory bargain by its courage in using the veto. "Chiang Kai-shek was now the hero." I said I could not feel this way about a veto which negated the will of 52 member countries of the United Nations, but I agreed that the sudden Soviet *volte face*, whatever might have inspired it, had given us a way out of our difficulties. We had got 16 out of the 18, and for that result the Russians, not the Chinese Nationalists, would now claim the credit.

I then referred to the rumours in Washington that I had plotted in Moscow with Mr. Molotov to bring about the admission of 18. I reminded Mr. Dulles that I had informed the State Department of my talk with Mr. Molotov on this subject, which had been very brief and non-committal. If I had, in fact, been plotting with Mr. Molotov against the United States on this issue, I was a pretty inept plotter in keeping the victim so carefully informed! Mr. Dulles said he did not, of course, himself share this suspicion for a minute, but some congressmen had been spreading this story around. I expressed the hope that if Mr. Dulles heard anything more of this in Washington he would do his best to refute what was an absurd allegation. I told him that I resented this kind of story very much, as he would, and also certain "New York" insinuations that I was not anxious to co-operate with the American Administration in matters of this kind because they were Republican, and I was a well-known Democrat-lover. Dulles said that such talk was, of course, complete nonsense; that he had been very happy about our co-operative and friendly relations while he was Secretary of State and had no complaint of any kind to make. He knew about this kind of insinuation in New York and where it originated. He thought that certain people in New York were too "political" in their approach to many subjects. He also felt that there was a special difficulty in consultation over U.N. matters because some of "their people" in

New York approved of the "package of 18", and may not have passed on our views to Washington in sufficient detail.

Mr. Dulles, while regretting the whole incident, said that he was delighted with the eventual result, but also extremely surprised by it. Last night he said he went to sleep in distress and despair. He thought that the situation was so tragic and its repercussions might be so serious as to affect the attitude of the United States to the United Nations generally. He was especially worried over the effect on opinion of the exclusion of the United States from the meeting of "52", something which he deplored. However, with the news this morning of the acceptance of the 16, most of his worries had vanished. He hoped also that any ill feeling and misunderstanding that had existed would vanish too. I assured him that on my part it had been removed, and would not affect our good relations in the future or our agreement on the necessity of close and constant consultation on all matters of mutual interest.

He then asked me to ride with him to the NATO Council meeting, where we could be photographed together as we entered the building!!

We had little opportunity to talk about anything else except Germany, which he agreed with me should be discussed very thoroughly at the forthcoming meeting. He was most anxious to hear our views on the subject, and I told him that he would very shortly have that pleasure.

He said he had been reading my statements and reports on Russia since my return, which he thought admirable. He thanked me most warmly for having kept the State Department informed of the discussions on my recent trip and he had already written me formally from Washington to that effect.

Mr. Dulles was very friendly — if somewhat defensive — throughout and, indeed, maintained that friendly attitude during the Council meeting, making a special effort, so I thought, to chat with me in an amiable and informal way at every opportunity.⁵³

⁵³ Note marginale :/Marginal note:

Mr. Léger This might be teletyped at once to Wash[ington] Embassy. L.B. P[earson]

SUBDIVISION IV/SUB-SECTION IV

ÉNERGIE ATOMIQUE
ATOMIC ENERGY

SUBDIVISION I/SUB-SECTION I

EFFETS DES RADIATIONS ATOMIQUES
EFFECTS OF ATOMIC RADIATION

41.

DEA/5475-GE-40

*Note du sous-secrétaire d'État aux Affaires extérieures
pour le secrétaire d'État aux Affaires extérieures*

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

RESTRICTED

[Ottawa], June 8, 1955

STUDIES OF THE EFFECTS OF H-BOMB EXPLOSIONS

Since the Bikini explosion over a year ago, we have received a steady flow of letters protesting about the continuance of H-Bomb tests. Many of these letters point to the numerous statements made by eminent scientists since the first explosion, warning of the dangers to mankind if these tests are allowed to continue. Of course, the majority of the letters have been from Communist organizations. Since January of this year, we have at your direction ceased to answer such letters, except in special circumstances. Only a very few letters of the hundreds received — perhaps only one in fifty — have come from ordinary citizens disturbed over the possible dangers of H-Bomb tests.

2. Although the proportion of letters written without an ulterior motive is small, we have sought to avoid giving perfunctory answers. Until March of this year, replies both from the Prime Minister's Office and from the Department customarily referred to your statement made in the House on March 31, 1954.⁵⁴

3. On March 7, 1955 Mr. Knowles asked you what the Government's attitude was to the proposal of the Federation of American Scientists that studies of the effects of H-Bomb tests should be conducted by the United Nations.⁵⁵ This question was the first of a series of similar questions, which during March and April came from Messrs. Coldwell, Cameron, Enfield, Goode, Knowles and Hamilton, and which drew replies from the Prime Minister, Mr. Campney, Mr. Martin and Mr. Marler, as well as from yourself. Since most of the questions had to do with the biological effects of radiation, Mr. Martin gave most of the answers. These statements made by various members of the Government have provided a basis for replies to the most recent letters from the public.

⁵⁴ Voir Canada, Chambre des Communes, *Débats*, 1953-54, volume 4, pp. 3749-3751.

See Canada, House of Commons, *Debates*, 1953-54, Volume 4, pp. 3540-3541.

⁵⁵ Voir Canada, Chambre des Communes, *Débats*, 1955, volume 2, p. 1864.

See Canada, House of Commons, *Debates*, 1955, Volume 2, p. 1766.

La proposition de la Federation of American Scientists est publiée dans le *Bulletin of the Atomic Scientists*, Volume XI, No. 5, May 1955, pp. 185-186.

The proposal of the Federation of American Scientists is printed in *Bulletin of the Atomic Scientists*, Volume XI, No. 5, May 1955, pp. 185-186.

4. You will recall that we attempted, with your approval, to find out from the United Kingdom and the United States Governments what their attitude was to the Federation of American Scientists' proposal. The reply from London pointed out that it was doubtful whether the U.S., the U.S.S.R. and the U.K. would release the information necessary to make U.N. studies useful. The State Department raised the same objection.

5. Studies are therefore proceeding on a national basis; those in Canada as a result of Mr. Martin's recent proposal to the Cabinet. In the United States, the National Academy of Sciences is beginning a broad programme of studies with the blessing of the Atomic Energy Commission. We have made a number of attempts to obtain a full statement of the U.S. position, and to find out all we can about these studies in particular, but have not been able to obtain any substantial amount of information. There appear to be two reasons for this: the fact that the U.S. authorities have not yet thought their way through the problem, and the notorious reluctance of the Atomic Energy Commission to divulge any information except under strong pressure.

6. This attitude continues to be the subject of sharp criticism in the United States itself, from publications like the *Bulletin of Atomic Scientists* and *Newsweek*. A number of United States scientists have accused the A.E.C. of failing to reveal the true extent of the danger from H-Bomb explosions. For example, Dr. Franklin Hutchison, a Yale physicist, recently said that if A.E.C. officials "have data to back up their contention that there are no harmful genetic effects from radiation, that's just wonderful. The trouble is I don't know of any such data, and neither does anyone else to whom I've talked."

7. So long as public statements of this sort continue to be made by reputable scientists, the public position taken by the Government will continue to be unsatisfactory. The issue may well be brought to a head at the Tenth Session of the General Assembly if the Swedish Government implements its recent promise to seek the support of other nations for U.N. studies of radiation effects. Our Legation in Stockholm reports that the Swedes were forced by pressure in their parliament to commit themselves to this enterprise before they were fully prepared to do so. It is still uncertain just how they will go about obtaining support for their proposal, but it is unlikely that we will be embarrassed by a direct approach from them. I have in mind also that no action has yet been taken on the Indian request to have the Disarmament Commission consider the question of H-Bomb explosions, although this request was originally made in April 1954 and has since been repeated. Thus we have good reason to suppose that either the Swedes or the Indians or both will take the initiative in demanding studies of the effects of H-Bomb explosions under United Nations auspices at the Tenth Session of the General Assembly.

8. A proposal of this sort is undeniably attractive. To be successful, studies under U.N. auspices would of course depend on the extent to which the U.S., the U.S.S.R. and the U.K. are willing to co-operate in making information available. This might well prove an insuperable obstacle. At the same time, it seems to be that we need to be able to take a more positive attitude towards these proposals, particularly if a debate in the United Nations takes place.

9. As you stated in reply to Mr. Knowles, the Government would not itself take the initiative in proposing studies under the U.N., but would consider sympathetically any practical suggestion brought forward by another member. To develop this position, I propose, if you approve, to present the case which is made above to the U.S. and U.K. authorities. We could take advantage of the breathing space we have, now that tests in the continental United States are over for this year. I believe that we should point out to the U.S. and the U.K. that the subject is almost bound to be raised in the United Nations, and

that it would therefore be prudent in our opinion to work out an agreed position in advance. We might suggest, since the idea of some form of U.N. activity in this field is so attractive to public opinion in the free world, that it should not be rejected except after careful consideration, and even then, not in an unsympathetic manner. Should it appear on examination that there is nothing the United Nations can usefully do in this field, then I believe we should be prepared to suggest a substitute. This substitute should be as widely supported as possible, and should, I think, include public assurances that our common objective is to achieve as great a degree of international co-operation as is possible, through the co-ordination of national programmes and the exchange of scientists and information.⁵⁶

J[ULES] L[ÉGER]

42.

DEA/5475-GE-40

*Note du sous-secrétaire d'État aux Affaires extérieures
pour le secrétaire d'État aux Affaires extérieures*

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

SECRET

[Ottawa], September 14, 1955

UNITED NATIONS STUDY OF THE HAZARDS OF ATOMIC RADIATION

You will have seen from incoming telegrams that in accordance with Lodge's statement during the San Francisco Conference⁵⁷ the Americans have submitted an item for the tenth session of the General Assembly entitled: "Co-ordination of Information Relating to the Effects of Atomic Radiation upon Human Life and Safety".⁵⁸ This matter has been discussed between the Americans, the British, the French and ourselves in Washington.

One of the main subjects of discussion related to the U.N. body which should undertake the proposed study. At first the Americans considered that it might simply be done by a Sub-Committee of the Disarmament Commission. They pointed out that the membership of the Commission (members of the Security Council [and] Canada) should be regarded as acceptable to the Western powers and that this approach would have the great advantage of avoiding the question of membership during the Assembly debate. The British and the French were opposed to the American suggestion on the grounds that the proposed study was concerned with the peaceful as well as the military uses of atomic energy. They were also concerned lest the Sub-Committee be drawn into a discussion of some of the sensitive aspects of the disarmament problem (e.g., nuclear tests) which easily lend themselves to propaganda treatment. While we were inclined to agree with the French and the British on this particular aspect, we did not express strong views since we saw advantages in the United States approach in addition to that mentioned above pertaining to membership. In the end the United States came round to the Anglo-French view and the latest proposals which they put forward suggest the establishment of an Ad Hoc Committee.

⁵⁶ Note marginale :/Marginal note:
Yes L.B. P[earson]

⁵⁷ Le discours de Lodge est reproduit dans/Lodge's speech is reprinted in United States, Department of State, *Bulletin*, Volume 33, No. 837, July 11, 1955, p. 54.

⁵⁸ Voir/See United States, Department of State, *Bulletin*, Volume 33, No. 844, August 29, 1955, pp. 365-366.

On the question of membership, however, we agreed with the Americans that the Committee should consist of governmental scientists instead of independent scientists as suggested by the British and the French. We recognized that the Anglo-French approach would probably satisfy public opinion better. However, we wondered whether the advantages derived from this approach might not be more than balanced by its disadvantages. The nomination of scientists by the Secretary-General might become a tricky matter, even assuming a sound decision by the Assembly on the composition of the Advisory Body proposed by the British and the French to advise the Secretary-General in this connection. Moreover, although they might agree on findings based on the information received, the scientists, or a majority (or even a minority) of them, might cause serious trouble if they start the argument that they are not receiving enough information to form a sound judgment. There was also the possibility that the end product of the scientists' work would include some sort of Einstein-Russell statement which might unintentionally complicate matters on the questions of the prohibition of nuclear weapons and total inspection, given the facts of life in this field. Bearing in mind that the Governments cannot be forced to release any information which they have decided to withhold, the establishment of a governmental body seemed the best course to follow.

It would appear that the British, if not the French, are now agreeing to this view and the latest United States paper suggests that the Ad Hoc Committee be composed of one scientific representative from each of the following nations: United Kingdom, United States, USSR, France, Australia, Canada, Brazil, India, Sweden and Japan.

The other major aspect discussed in Washington is the terms of reference of the proposed Committee. We are inclined to agree with the United Kingdom and France that the Committee should not merely be asked to assemble the information received from governments and forwarded to member states as the United States originally suggested but that it should also pass some judgment on the material received. The latest United States paper goes a fairly long way towards meeting the position of the other three countries (see paragraphs C, D and E of Washington telegram No. 1565 of September 13, † attached) and there are indications that the British will not stress this matter further. We are wondering whether in the last analysis the United States draft does not say as much as can be realistically expressed at this time on this subject. It is conceivable that national academies in countries producing nuclear weapons will receive confidential information which will enable them to draw final conclusions (without necessarily divulging this information), while the Ad Hoc Committee as a whole may find it difficult to pass final judgment in the light of the data which it receives.

After consultation with the Department of National Health and Welfare, we have suggested that the Specialized Agencies should be brought into the picture since some of them, e.g., WHO and UNESCO, are directly interested in this matter. The United Kingdom has concurred in this suggestion and the United States draft contains a last paragraph which covers this point substantially.

The Embassy in Washington has been informed that the views expressed above, which have been approved by officials of the Departments of National Health and Welfare and Defence Research Board, represented our thinking at the official level. I should greatly appreciate knowing whether you concur with these views and with the general contents of the United States draft resolution. Should you concur,⁵⁹ these views will be embodied in

⁵⁹ Note marginale :/Marginal note:
Yes L.B. P[earson]

the instructions to the Canadian Delegation to the tenth session of the General Assembly after consultation with the Minister of National Health and Welfare.⁶⁰

J[ULES] L[ÉGER]

43. DEA/5475-GE-40

*Note du sous-secrétaire d'État aux Affaires extérieures
pour le secrétaire d'État aux Affaires extérieures*

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

CONFIDENTIAL

[Ottawa], September 22, 1955

ATOMIC RADIATION

We have now received confirmation that the United Kingdom has approved the latest United States draft resolution on the above subject, the text of which appears in telegram No. 7 of September 20† from the Canadian Delegation to the tenth session of the General Assembly (copy attached). Except for a few changes of wording, this text is identical to the draft which you approved last week.

The United States has asked both the United Kingdom and ourselves to sponsor their draft resolution and the United Kingdom has already agreed to become co-sponsor. In view of our close relations with both countries on atomic energy matters, I think we should accede to the United States request. In the event that you agree with this course, the attached telegram, authorizing the Delegation to accept Canadian co-sponsorship, has been prepared for your signature.⁶¹

J[ULES] L[ÉGER]

44. DEA/5475-GE-40

*Le secrétaire d'État aux Affaires extérieures
au chef de la délégation à l'Assemblée générale des Nations Unies*

*Secretary of State for External Affairs
to Chairman, Delegation to United Nations General Assembly*

TELEGRAM V-91

Ottawa, October 28, 1955

SECRET. MOST IMMEDIATE.

Repeat Washington V-1831; London V-1782.

ATOMIC RADIATION: TERMS OF REFERENCE OF AD HOC COMMITTEE

After consultation with Dr. Cipriani and Dr. Watkinson we agree with the suggestion put forward to you yesterday by the former that the terms of reference of the Committee

⁶⁰ Voir/See Document 1.

⁶¹ Pearson a accepté que le Canada coparraine la résolution américaine. Voir Ottawa à Washington, télégramme N° 1651 du 24 septembre 1955, MAE/5475-GE-40.

Pearson agreed that Canada could co-sponsor the U.S. resolution. See Ottawa to Washington, telegram No. 1651, September 24, 1955, DEA/5475-GE-40.

should preferably be extended for the reasons indicated in Dr. Cipriani's memorandum to you.⁶² We think this might be done by the insertion of a new paragraph C in the United States draft resolution along the following lines:

C. To recommend to governments research problems which should be investigated in order to provide the information required by the Committee.

2. The present paragraphs C, D and E would then become D, E and F respectively.

3. Dr. Cipriani has expressed the opinion that the security interests of powers making nuclear tests would not be prejudiced as a result of the extension of the terms of reference of the Committee in the sense indicated above.

4. We should appreciate your discussing this matter informally with the United States Delegation with a view to ascertaining their reaction to the amendment suggested until this amendment has been fully considered in Washington and agreement has been reached at least with the United States Delegation on the desirability of such an amendment whether in its present or in revised form, we consider that we are not in a position to mention such a change in the resolution in Canadian statements we may make at this stage. Ends.

45.

DEA/5475-GE-40

*Le chef de la délégation à l'Assemblée générale des Nations Unies
au secrétaire d'État aux Affaires extérieures*

*Chairman, Delegation to United Nations General Assembly,
to Secretary of State for External Affairs*

TELEGRAM 210

New York, November 1, 1955

CONFIDENTIAL. IMPORTANT.

Reference: Our telegram No. 206 of October 28.†
Repeat Washington No. 96; London No. 138.

ATOMIC RADIATION

This morning we discussed with the United Kingdom and United States Delegations the amendment to the draft resolution suggested in your telegram No. V-91 of October 28. The United States Delegation suggested that the point be met by adding at the end of paragraph E the following phrase, as part of the same sentence, "and indications of research projects which might require further study". Dr. Cipriani said that this phraseology was acceptable to him and we therefore agreed with this suggestion in which the United Kingdom also concurred. The Swedish Representative in his statement yesterday made the same point as that contained in our amendment when he said that his Delegation would give the Committee powers to recommend further avenues of research. Since the Scandinavian Delegations may have a number of other suggestions which would be difficult to accept, it was agreed at the meeting that the change in the text to meet the Canadian suggestion might be presented to the Swedish Delegation as a change designed to meet their views. Since there is still hope that Sweden may agree to be a co-sponsor and this may help to bring them in, we concurred. We have in any case added to the statement to be made in the first Commit-

⁶² Non retrouvé./Not located.

tee today by Mr. Martin a reference in general terms to the idea of the amendment, although we do not refer to it as an amendment.⁶³

2. Later this morning the United States, United Kingdom and Canadian Delegations met with the Indian Delegation to discuss further amendments proposed by Menon. The draft resolution as contained in our telegram No. 207 of October 28† already takes account of all the amendments which Bhabha had proposed and the United States Delegation had not expected a further batch of amendments. However, they agreed to a number of relatively minor textual changes. The only substantial additional Indian amendment which the United States and the United Kingdom are unable to accept is one which would delete all reference to "States members of the United Nations or members of the Specialized Agencies" throughout the resolution and replace the phrase by the single word "countries". The Soviet Union has suggested an amendment with similar effect.

3. Lall, who attended the meeting for the Indian Delegation, said that he would inform Menon of the alterations accepted to meet Indian suggestions and would let us know today whether India could co-sponsor.

4. It was agreed that the resolution would be tabled today but would not be circulated in the Committee until after the United Kingdom and Canadian Delegations have finished speaking at this afternoon's meeting. We have made minor revisions in our text to eliminate specific reference to the draft resolution, making reference instead to the statement by the United States yesterday in the Committee.

46.

DEA/5475-GE-40

*Le chef de la délégation à l'Assemblée générale des Nations Unies
au secrétaire d'État aux Affaires extérieures*

*Chairman, Delegation to United Nations General Assembly,
to Secretary of State for External Affairs*

TELEGRAM 216

New York, November 2, 1955

CONFIDENTIAL. IMPORTANT.

Reference: Our telegram No. 210 of November 1.

Repeat Washington No. 100; London No. 141.

ATOMIC RADIATION

Denmark, Iceland, Norway and Sweden have now agreed to join as co-sponsors of the draft resolution. After a meeting with the Scandinavian Delegations yesterday none of them was able to agree on the spot to co-sponsor but they were all clearly impressed by the amendment inserted along the lines of Dr. Cipriani's suggestion as well as by a statement by Wadsworth at this meeting that the Committee was not precluded from announcing "conclusions" provided that material submitted to it clearly warranted such conclusions. Some of the Scandinavian Delegations have also intimated to us that they were influenced, too, in their decision to become co-sponsors by the Canadian statement on the nature and

⁶³ Extraits du discours se sont trouvés dans Canada, ministère des Affaires extérieures, *Affaires Extérieures*, vol. 7, N° 12, décembre, 1955, pp. 340-341.

Excerpts of the speech are in Canada, Department of External Affairs, *External Affairs*, Vol. 7, No. 12, December, 1955, pp. 336-337.

scope of the Committee's activities as well as by a section in Sir Pierson Dixon's statement in the Committee on the continuing long-term nature of the Committee's study.

2. The Indian Delegation today tabled a long list of amendments to the draft resolution. Since the United States had already accepted a considerable number of amendments suggested some time ago by Bhabha and had again yesterday agreed to some further Indian amendments, they are understandably unenthusiastic about a third set of Indian amendments, although in fact many, but not all, of the amendments tabled today are the same as ones suggested yesterday and not accepted by the United States.

3. The most important of these Indian amendments (as indicated in paragraph 2 of our telegram under reference) are intended to permit participation of Communist China as a supplier of information to the Committee and as a recipient of the report produced by the Committee. A similar proposal has been made by the Soviet Delegation.

4. The resolution which has been adopted on the peaceful uses of atomic energy makes similar provision for participation of all States members of the United Nations or of the Specialized Agencies both in further technical atomic energy conferences and in the proposed conference on the final text of the statute of the International Atomic Energy Agency. The Soviet Delegation moved formal amendments which would have brought into participation "all States". While the two problems are not entirely comparable it is relevant that the Canadian Delegation, along with all the sponsors of the resolution on the Peaceful Uses of Atomic Energy, voted against these Soviet amendments. A number of countries which recognize Communist China abstained and some supported to Soviet Bloc.

5. It is no doubt easier to argue that a government whose representatives are not seated in the United Nations should be precluded from participation in conferences organized under the auspices of the United Nations than it is to argue that such a government should not be allowed to submit information to a Committee set up by the United Nations. If the Peking authorities had useful information to offer it would seem foolish to deny the Committee the opportunity to receive it. On the other hand, there is no doubt that it is impossible for the United States Delegation to accept an amendment designed to allow Communist Chinese participation. It is arguable that the question of Chinese representation must be settled directly at some fairly early date but that until then it is pointless to try to bring the Peking régime in by the back door in arranging subsidiary committees and conferences of this sort. We have voted to postpone consideration of the question of Chinese representation,⁶⁴ we have already voted against a similar amendment to the earlier atomic resolution, and I think that we can do the same with respect to the present resolution.

6. It is always possible for us to argue, if we are pressed, that the present wording of the resolution "States members of the United Nations or members of the Specialized Agencies" does not exclude mainland China since China is a member of the United Nations. The question which régime should represent China in United Nations activities is a separate problem.

7. We should appreciate your early comments on this point. The text of the draft resolution in its present form as tabled and the text of the Indian amendments follow in separate telegrams.

⁶⁴ Voir/See Documents 95-97.

47.

DEA/5475-GE-40

*Le chef de la délégation à l'Assemblée générale des Nations Unies
au secrétaire d'État aux Affaires extérieures*

*Chairman, Delegation to United Nations General Assembly,
to Secretary of State for External Affairs*

TELEGRAM 218

New York, November 2, 1955

Reference: My telegram No. 216 of November 2.

Repeat Washington No. 102.

ATOMIC RADIATION

Following is the text of the draft resolution submitted by Australia, Canada, Denmark, Iceland, Norway, Sweden, United Kingdom and United States. Text begins:

The General Assembly,

Recognizing the importance of and the widespread attention being given to problems relating to the effects of ionizing radiation upon man and his environment,

Believing that the widest distribution should be given to all available scientific data on the short-term and long-term effects upon man and his environment of ionizing radiation, including radiation levels and radioactive "fallout",

Noting that studies of this problem are being conducted in various countries,

Believing that the peoples of the world should be more fully informed on this subject,

Establishes a Scientific Committee consisting of Australia, Brazil, Canada, Czechoslovakia, France, India, Japan, Sweden, the United Kingdom, the United States, and the Union of Soviet Socialist Republics and requests these governments each to designate one scientist to represent them on this committee,

Requests this Committee:

(a) To receive and assemble in an appropriate and useful form the following radiological information furnished by States members of the United Nations or members of the Specialized Agencies: (1) reports on observed levels of ionizing radiation and radioactivity in the environment, and (2) reports on scientific observations and experiments relevant to the effects of ionizing radiation upon man and his environment already underway or later undertaken by national scientific bodies or by authorities of national governments;

(b) To recommend uniform standards with respect to procedures for sample collection and instrumentation, and radiation counting procedures to be used in analyses of samples;

(c) To compile and assemble in an integrated manner the various reports, referred to in (a)(1), on observed radiological levels;

(d) To review and collate national reports, referred to in (a)(2), evaluating each report to determine its usefulness for the purposes of the Committee;

(e) To make yearly progress reports if appropriate and to develop by 1 July 1958, or earlier, if the assembled facts warrant, a summary of the reports received on radiation levels and radiation effects on man and his environment together with the evaluations provided for in sub-paragraph (d) above and indications of research projects which might require further study;

(f) To transmit from time to time as it deems appropriate the documents and evaluations referred to above to the Secretary-General for publication and dissemination to States members of the United Nations or members of the Specialized Agencies.

Requests the Secretary-General to provide appropriate assistance to the Scientific Committee in organizing and carrying on its work, and to provide a Secretary of the Committee,

Calls upon all States members of the United Nations or members of the Specialized Agencies to co-operate in making available reports and studies relating to the short-term and long-term effects of ionizing radiation upon man and his environment and radiological data collected by them,

Requests the Specialized Agencies to concert with the committee concerning any work they may be doing or contemplating within the sphere of the Committee's terms of reference to assure proper co-ordination,

Requests the Secretary-General to invite the Japanese Government to nominate a scientific representative to the Committee. Text ends.

48.

DEA/5475-GE-40

*Le chef de la délégation à l'Assemblée générale des Nations Unies
au secrétaire d'État aux Affaires extérieures*

*Chairman, Delegation to United Nations General Assembly,
to Secretary of State for External Affairs*

TELEGRAM 225

New York, November 3, 1955

CONFIDENTIAL

Reference: Our telegram No. 216 of November 2.
Repeat London No. 144; Washington No. 105.

EFFECTS OF ATOMIC RADIATION

We have had meetings with the U.S., U.K. and Scandinavian Delegations to discuss the Indian and Soviet amendments to our draft resolution.

2. All Delegations agreed that "Scientific Committee" is a better designation than "Special Technical Committee" mainly on the grounds that it will be easier to attract first-rate people to the Committee if it is clearly and unequivocally a scientific group.

3. Regarding the second Indian amendment to paragraph 1, apparently designed to enlarge the Committee, the representative of Argentina today made a strong plea for the presence of a Spanish-speaking country. Since the continent of Africa is not represented on the Committee, there may also be strong pressure from the Afro-Asian group to include Egypt. If a Spanish-speaking Latin-American country must be added, the U.S. and the U.K. are inclined to agree that Mexico would be the best candidate although, so far as anyone knows, there is no Mexican scientist of international repute in this field. The same comment applies even more forcefully to Egypt. Nevertheless, a concerted Latin-American Afro-Asian move, supported by the Soviet Bloc, to add these two countries could not be defeated. On the Soviet proposal to add Rumania and Communist China to the Committee, there is no serious difficulty since Asia and Eastern Europe are already well represented.

4. On the third Indian amendment, all the sponsors are inclined to feel that it will be more satisfactory if each country nominates one regular or principal representative to serve on the Committee but it is recognized that there can be alternates and advisers. Indeed, the Danish representative mentioned in the Committee (and the Swedish representative confirmed this privately) that the Scandinavian country which is a member of the Committee would draw on scientists from other Scandinavian countries in choosing alternates and advisers. The U.S. Delegation does not seem to be alarmed at this and regards it as unlikely that the Chinese would want to serve in a similar way with the Soviet Delegation.

5. The first Indian amendment to operative paragraph 2 on the role of the Secretary-General has now been met in effect by a paper distributed by the Secretary-General in which he interprets his role, quite broadly, under the present draft resolution. This paper has been forwarded by bag.⁶⁵

6. The Indian amendment designed to allow the Committee to receive information from any country or area and to have the reports sent to all countries presents more difficulty to the Scandinavian Delegations. The Norwegian Delegation will vote in favour of at least one of the Indian amendments on this point and some of the others may do likewise. None of them will vote against these amendments. In accordance with the suggestions in paragraphs 3, 4, 5 and 6 of our telegram under reference, we would propose to include in a further brief statement in the Committee something along the following lines: "I do not feel that it is appropriate to try to settle major political problems regarding representation in the United Nations in the context of this Scientific Committee; but I do feel strongly that information of any significance, whatever its origins and whatever the geographical area to which it relates, should be able to find its way to the Committee by one of the various available channels". Material relating to mainland China could, in fact, be submitted through some member of the United Nations or might even be sent to the Secretary-General with a request that it be forwarded to the Committee. We have discussed this point with the U.S. Delegation and they think it will be useful for us to say something along these lines.

7. A number of the remaining Indian amendments are calculated to make the Committee's task less precisely defined and Menon has even suggested that it might be concerned with economic and social consequences of atomic radiation. All of the group of sponsors were firmly of the opinion that nothing should be done to dilute and diffuse the Committee's primary responsibility relating to the effect of small additions to the radiation background on the human race. All sponsors will therefore oppose the Indian amendments in this category.

8. The same arguments apply with greater force to the Soviet amendment adding the problem of protection from the effects of radiation as well as the question of treatment of illnesses resulting from radiation to the Committee's scope. The first two Soviet amendments relate to prohibition of weapons and of test explosions and all sponsors agreed that these amendments could be opposed on the grounds that they touch on subject matter appropriate to the item on disarmament rather than to the item on atomic radiation. There is the further argument that fallout from atomic bombs is by no means the only source of increase in radiation background. Whether bomb trials are stopped or not, the increasing radiation background is a problem which remains with us in development of peaceful uses of atomic energy.

⁶⁵ Voir/See United Nations, *Yearbook of the United Nations 1955*, New York: United Nations, 1956, p. 20, UN document A/INF/67.

49.

DEA/5475-GE-40

*Le secrétaire d'État aux Affaires extérieures
au chef de la délégation à l'Assemblée générale des Nations Unies*

*Secretary of State for External Affairs
to Chairman, Delegation to United Nations General Assembly*

TELEGRAM V-107

Ottawa, November 3, 1955

CONFIDENTIAL. IMPORTANT.

Reference: Your telegrams Nos. 216, 217† and 218 of November 2, 1955.
Repeat London V-182; Washington V-1857.

ATOMIC RADIATION

We agree with the course suggested in your telegram No. 216. We should be ready however to go along with the United States should they ultimately come around to accept the Indian amendment, which, as you suggest, is less significant than the corresponding amendment to the 18 Power Resolution on Atomic Energy.

2. The Americans have already gone a long way towards meeting the Indians in this matter and it is fair to say that the West has gone out of its way to meet the Indian point of view during atomic energy discussions. We do not consider that we should outdo ourselves again in this case to meet the Indians.

3. From a scientific point of view the sponsoring countries are on safe grounds since States members of the United Nations and all Specialized Agencies cover between themselves just about the whole surface of the earth outside continental China.

4. We are inclined to agree with the other Indian amendments. (Although your telegram 216 is not clear on this point, we assume from your message No. 210 that the Americans are agreeable to these amendments.) We assume that there are precedents for the Indian amendment relating to operative paragraph 6 since its adoption might otherwise give the impression that the Secretary General will be Chairman of the Committee or have more to say in this matter than the sponsoring countries want him to. We have not yet received the views of the Department of Health and Welfare on the Indian amendments. We shall communicate with you as soon as these are received.

50.

DEA/5475-GE-40

*Le chef de la délégation à l'Assemblée générale des Nations Unies
au secrétaire d'État aux Affaires extérieures*

*Chairman, Delegation to United Nations General Assembly,
to Secretary of State for External Affairs*

TELEGRAM 238

New York, November 4, 1955

CONFIDENTIAL. IMPORTANT.

Repeat Washington No. 110; London No. 150.

EFFECTS OF ATOMIC RADIATION

The move to enlarge the Scientific Committee has now taken the form of an amendment proposed by the 20 Latin American States which would have the effect of adding to the Committee Argentina, Belgium, Egypt and Mexico. The United States and United Kingdom Delegations have announced in the Committee that they cannot support this amendment because such an enlargement of the Committee they feel will reduce its effectiveness. On the vote these two Delegations will probably abstain. The four Scandinavian Delegations have told us that they will vote against the amendment in order to be consistent with their vote against the proposed Soviet amendment which would add Communist China and Roumania to the group. In fact, the amendment will almost certainly be adopted. It has twenty favourable votes to begin with and there will be a number of Afro-Asian votes supporting Egypt. The Soviet Bloc will certainly not vote against and may vote in favour. The Belgians have told us that they would like to be on the Committee. They would have preferred a smaller Committee of Scientists, but now that it was being enlarged for political reasons they saw no reason why they should not be included. They have a scientist in Belgium who, they are sure, would make a considerable contribution. Nevertheless, I would suggest that the Canadian Delegation might state in the further statement to be made in the Committee on Monday by Mr. Martin that we cannot support this amendment because of our concern that the Committee be of an effective size to carry on its work. In the vote on the amendment I would suggest that we should abstain.

2. The general debate on this item ended today and the debate on resolutions and amendments began. It is expected that the item will be concluded on Monday.⁶⁶

⁶⁶ Le 7 novembre, la Commission politique a adopté par vote unanime la résolution parrainée par le Canada, le Royaume-Uni, les États-Unis, l'Australie et les pays scandinaves. L'amendement présenté par l'Inde a été approuvé par un vote de 25 pour, 22 contre (Canada) et 12 abstentions. Celui présenté par l'Amérique latine a également été approuvé, par un vote de 48 pour, aucun contre et 11 abstentions (Canada). Pour le texte final de la résolution, voir Nations Unies, *Documents officiels de l'Assemblée générale, dixième session, Supplément N° 19 (A/3116), Résolution, résolution 913 (X)*, 3 décembre 1955, p. 5.

On November 7, the Political Committee adopted the resolution sponsored by Canada, the United Kingdom, the United States, Australia and the Scandinavian countries in a unanimous vote. The Indian amendment was approved by a vote of 25 in favour, 22 against (Canada) and 12 abstentions. The Latin American amendment was also approved by a vote of 48 in favour, none against and 11 abstentions (Canada). For the final text of the resolution, see United Nations, *Official Records of the General Assembly, Tenth Session, Supplement No. 19 (A/3116), Resolutions, Resolution 913 (X)*, December 3, 1955, p. 5.

SUBDIVISION V/SUB-SECTION V

DÉSARMEMENT
DISARMAMENT

SUBDIVISION I/SUB-SECTION 1

SOUS-COMITÉ DE LA COMMISSION DU DÉSARMEMENT DES NATIONS UNIES
SUB-COMMITTEE OF THE UNITED NATIONS DISARMAMENT COMMISSION

51.

DEA/50271-A-40

*Note du sous-secrétaire d'État aux Affaires extérieures
pour le secrétaire d'État aux Affaires extérieures*⁶⁷*Memorandum from Under-Secretary of State for External Affairs
to Secretary of State for External Affairs*⁶⁷

TOP SECRET

[Ottawa], February 21, 1955

DISARMAMENT

You will see from telegram No. 209 of February 16† from London (copy attached) that Mr. Nutting has asked for our views on the United Kingdom suggestions concerning tactics during the Disarmament Sub-Committee talks which will begin in London on Friday of this week. The United Kingdom suggestions are in line with our views as embodied in a memorandum for the guidance of the Canadian Delegation (copy attached).

The memorandum suggests that the main purpose of the London meetings should be to ascertain the exact significance of the Soviet proposals submitted by Mr. Vyshinsky at the last session of the Assembly which contain a number of apparent concessions.⁶⁸ The memorandum then reviews the main points of disagreement between the Western powers and the Soviet Union, namely, the veto problem (page 1), atomic energy control (page 2), the problem of stages (page 3) and inspection (page 5). The main conclusion reached is that Western Delegations should make a special effort to lay bare the position of the Soviet Government on the problem of inspection which is at the root of the disarmament problem. This, as you know, is precisely the field where the Soviet Union is most vulnerable.

The memorandum conveys our views on the Indian proposals. After consultation with the military and scientific authorities, we have come to the conclusion that a freeze on present military levels, pending agreement on an international convention, is unacceptable since we have no way of verifying whether the USSR would implement this suggestion (page 6). Mr. Nehru's suggestion for a ban on test explosions of nuclear weapons is equally unacceptable for the reasons indicated on pages 7 and 8 of the memorandum. There is no objection to Mr. Nehru's suggestion for more publicity (page 8).

⁶⁷ Note marginale :/Marginal note:

I was given 1/2 hour in which to read and approve of this! L.B. P[earson]

⁶⁸ Voir Nations Unies, *Documents officiels de l'Assemblée générale, neuvième session, Annexes*, Points 20 et 68 de l'ordre du jour, le 30 septembre 1954, pp. 2 à 3. Pour la réaction canadienne aux propositions soviétiques, voir volume 20, les documents 138 et 139.

See United Nations, *Official Records of the General Assembly, Ninth Session, Annexes*, Agenda items 20 and 68, September 30, 1954, pp. 2-3. For the Canadian reaction to the Soviet proposals, see Volume 20, Documents 138 and 139.

The Delegation is told that while we agree with the generally accepted view that disarmament can hardly take place before some, at least, of the major issues between the East and the West are resolved, we consider that the present armaments race is in itself a source of tension and, consequently, that the West should explore every possibility of reaching agreement (page 9). Finally, it is important that the efforts of Western Delegations to clarify the Soviet position should not lead to a purely negative attitude on their part. The Anglo-French proposals might be supplemented, if need be, in order to keep the initiative which the West gained last spring.⁶⁹ The United Kingdom already suggested a revision of the French-United Kingdom-United States paper on the question of ceilings for armed forces which was tabled in the Disarmament Commission (Annex A and B of London telegram).⁷⁰ The new proposals have been approved by our Armed Services.

I should appreciate knowing whether you agree with the line taken in the attached memorandum which has been approved by the Interdepartmental Working Party on Disarmament consisting, as you know, of representatives from the three Services, the Atomic Energy Control Board, the Defence Research Board, and the Department. Should you express your concurrence, it is our intention to send the memorandum immediately to the Canadian Delegation, subject to the approval of the Chiefs of Staff, as agreed with the Service members of the Working Party. We shall indicate to London by telegram our agreement with the suggestion made by Mr. Nutting and at the same time outline our own position.

We doubt whether the attached memorandum requires Cabinet approval. In view of the general interest in the problem of disarmament, however, you may wish to inform Cabinet of the action taken in this matter after we have received the comments of the Chiefs of Staff. These should be forthcoming within the next day or two.⁷¹

J[ULES] L[ÉGER]

[PIÈCE JOINTE/ENCLOSURE]

Note

Memorandum

TOP SECRET

[Ottawa], February 22, 1955

DISARMAMENT

MEETINGS OF THE SUB-COMMITTEE OF THE DISARMAMENT COMMISSION
LONDON, FEBRUARY 1955

The main purpose of the London meetings from the Western point of view should be to ascertain the significance of the Soviet proposals submitted during the 9th session of the General Assembly. The Western Delegations should seek clarification of the exact meaning of these proposals. Western questioning should be such as to enable, if possible, a

⁶⁹ Voir France, Ministère des Affaires étrangères, *Documents relatifs au désarmement 1954-1959*, Paris: Imprimerie Nationale, 1960, pp. 18 à 20.

See *Documents on Disarmament 1945-1959*, Volume I, 1945-1956, Washington: United States Government Printing Office, pp. 423-424.

⁷⁰ Voir/See *Documents on Disarmament 1945-1959*, Volume 1, pp. 365-369.

⁷¹ Note marginale :/Marginal note:

OK L.B. P[earson]

Aucun compte rendu d'une discussion au Cabinet n'a été trouvé./No record of a Cabinet discussion was found.

proper interpretation to be placed on present Soviet Disarmament policy. In this connection the Canadian Delegation should note the views expressed in the JIC paper (Annex 1, Appendix E).⁷²

In the past the main points of disagreement between the Western powers and the Communist bloc on the problem of disarmament, including the control of atomic energy, were as follows:

The Veto Problem

(1) The West has considered that in order to achieve a truly effective disarmament programme the permanent members of the Security Council should abandon their right of veto in decisions relating to this programme. This requirement is spelled out in the United Nations Plan for the International Control of Atomic Energy which,⁷³ under the terms of reference of the Disarmament Commission, should serve as a basis for international control "unless a better or no less effective system is devised". Although the Soviet Union has recognized that the operation of the International Control Authority itself should not be subject to the veto, there has been no indication as yet that the Soviet Government is ready to relinquish its veto in connection with the Security Council decisions on recommendations of the Control Authority. The fact that the Soviet proposals inevitably called in the past for the establishments of the control organ "under the Security Council" has been interpreted by the West as meaning that the Soviet Union wanted to retain its right of veto. The Soviet proposals submitted at the 9th session provide for the establishment, in the first phase, of a temporary International Control Commission under the Security Council. There is no mention of the Security Council, however, in connection with the standing International Control Organ to be established in the second phase. In recent years it has been recognized in many quarters that insistence on the relinquishment of the right of veto by the permanent members of the Security Council would not have any real significance in practice from the Western point of view since a serious violation of the Disarmament convention by a major power and the subsequent exercise of the veto would bring about the breakdown of the disarmament programme, or alternatively, an attempt at enforcement action would lead to war. There is no doubt, however, that the West can derive a propaganda advantage from its position in this matter and the background paper prepared by the Western powers at the end of the London talks last spring duly made this point. It would, therefore, be useful to ascertain what the present position of the Soviet Union is on this question.

Ownership vs Managerial Supervision

(2) Under the United Nations Plan for the International Control of Atomic Energy, the Control Organ should own all atomic raw materials from the moment they are removed from the ground and at the same time own, operate and manage basic atomic energy installations. The Soviet Union has consistently refused to accept this feature of the United Nations plan and argued that inspection alone would suffice to achieve effective international control. For some time now the French have held the view that ownership was not essential for effective control and the Western powers suggested in the Sub-Committee last

⁷² Annexes non trouvées. Une série de documents venant probablement du Comité mixte du renseignement et datés du 1^{er} février 1955 figure sous MAE/50028-BT-40.

Annexes not located. A probable set of JIC papers dated February 1, 1955, is on DEA/50028-BT-40.

⁷³ Voir Nations Unies, *Documents officiels de l'Assemblée générale, troisième session, première partie, document A/810, Résolutions, résolution 191 (III)*, 4 novembre 1948, pp. 16 à 17.

See United Nations, *Official Records of the General Assembly, Third Session, Part I A/810, Resolutions, Resolution 191 (III)*, November 4, 1948, pp. 16-17.

spring, either explicitly or implicitly, that one way out of the impasse would be something akin to managerial supervision. This suggestion could usefully be made again in order to underline the co-operative attitude of the West. The new Soviet proposals are silent on this point. Unless there are indications that the Soviet Government is now ready to consider some measure of management of its atomic installations in addition to straight inspection, which is inadequate, the unco-operative Soviet attitude should be contrasted with the positive stand taken by the Western powers, provided, of course, they are explicitly unanimous on this point. It would appear, however, that a firm position on this particular aspect by the Western powers should await detailed consideration of supervision and management as a method of control with a view to ascertaining its effectiveness. A technical appreciation of the problem of nuclear weapon control as it now stands is contained in Annex 2.† This paper confirms what is now openly admitted, namely, that even if an effective international control system including adequate inspection were established in 1955, this system could only be effective insofar as future activities are concerned. There is at present no adequate means of preventing nations from concealing an appreciable number of nuclear weapons from existing stockpiles. The existence of these stockpiles fundamentally affects the prospect for atomic energy control to ensure its use for peaceful purposes only and suggests that attention should now be paid to problems raised by past as well as future production in the nuclear field.

The Problem of Phasing

(3) The West has always insisted that the prohibition of nuclear weapons and the reduction of armed forces and conventional armaments should only begin after the establishment and positioning of the control organ. The Soviet Union has held the view that total prohibition and control should take place "simultaneously". Repeated questioning has revealed that the Soviet position is that the organ should be established on paper and that from that very moment complete and unconditional prohibition of nuclear weapons, including the elimination of stockpiles, would become effective. The best interpretation placed by the Soviet representatives on their position was that prohibition would be immediately proclaimed in principle but that it would become effective only when international control came into effect. There would thus be an indeterminate period during which nuclear weapons would be prohibited without any international control to ensure the implementation of the disarmament programme. The Soviet representatives have up to now failed to furnish a satisfactory explanation of their position on this point and Mr. Vyshinsky failed once again to answer the question raised by the Canadian representative in this connection at the 9th session.

The Soviet Union, however, can claim to have made a substantial concession to the West in their new proposals by accepting the concept of stages. They can also claim that their proposals are more favourable to the West than the Anglo-French proposals, since under the former the first half agreed reductions in armed forces and armaments does not call automatically for the cessation of the manufacture of nuclear weapons. Most of all they can argue that signatories to the Disarmament Convention should be placed on an equal level and that there is no good reason why countries having a preponderance in the field of nuclear weapons should execute their obligations after countries with larger armed forces and conventional armaments have executed theirs. During the 9th session Mr. Vyshinsky enquired from the United Kingdom representative whether the Western powers would "agree that the commencement of measures for the reduction of conventional armaments and the prohibition of atomic weapons should coincide in time with the entry into operation of the permanent control body?" The Western powers might find themselves in a somewhat vulnerable position if the USSR succeeded in convincing the man in the street

that the expression "entry into operation" should be regarded as having the same meaning as the word "positioning" used in the Anglo-French proposals. This underlines the importance for the West to lay bare the position of the Soviet Union on the problem of inspection.

Inspection

(4) The most important point of disarmament between the East and the West relates to the powers of inspection of the international control organ. The Western powers hold the view that the international organ should have unlimited powers of inspection "at any place, at any time" including the right to conduct aerial surveys. After having advocated "periodic" rights of inspection for the international organ, the Soviet Union came round to the view that the organ should be authorized to carry out inspection on a continuing basis without interfering however, in the "domestic affairs" of states. The Soviet representatives also indicated on various occasions that inspection could only be carried out at places which the Soviet Government regards as being covered by the Disarmament Convention. Inspection in other places could only take place in cases where there were suspicions that the convention was being violated.

The problem of inspection is at the root of the disarmament question and one in which the free world cannot afford to make substantial concessions. It so happens that this is the field where the Soviet Union is most vulnerable. The attention of the Canadian Delegation is drawn to the opinion expressed in paragraph 6 in Annex 1, Appendix E (Part I)† that effective international inspection is inherently repugnant to the Soviet system and that this assumption is underlying the thinking of present Soviet leaders. The latest Soviet proposals did not repeat the reservation of non-interference in domestic affairs and merely mentioned inspection on a continuing basis "to the extent necessary to ensure implementation of the convention by all states". It is hardly likely that the Soviet position on this vital problem has undergone any fundamental change. The West should make a special effort with a view to underlining to the world at large the basic defect of the Soviet position on this score and by the same token placing the latest Soviet proposals in their proper light. In particular, Western delegations should endeavour to bring into the open Soviet intentions on the powers of the temporary control commission envisaged in the first phase of the Soviet proposals.

Indian Proposals

At the 9th session the General Assembly referred to the Disarmament Commission the Indian draft resolution (Annex 3, Appendix F)†⁷⁴ which suggests that progress towards a Disarmament Convention would be materially advanced by a freezing of the level of armed forces and armaments, pending agreement on a convention. The draft resolution specifically recommends "the study of ways and means of establishing 'an armament truce' pending such an agreement". The Indian Government should be commended for endeavouring to end the present armaments race and all that it entails. However, it is difficult to see how the West could withdraw from that race until it is reasonably certain that Soviet participants have also abandoned the race. The only means of securing satisfactory evidence in this connection is the establishment of an effective system of control and inspection. In the last analysis, the question of an armament truce forms an integral part of

⁷⁴ Voir Nations Unies, *Documents officiels de l'Assemblée générale, neuvième session, Annexes*, Points 20 et 68 de l'ordre du jour, 25 octobre 1954, pp. 4 à 5.

See United Nations, *Official Records of the General Assembly, Ninth Session, Annexes*, Agenda Items 20 and 68, October 25, 1954, pp. 4-5.

the disarmament problem. In the present context of international relations the Indian proposal cannot be regarded as practicable. An armament truce would, moreover, make it more difficult for Western governments to insist on the rearmament of Western Germany to which they are politically committed (see Annex 3, paragraph 12).†

In a statement in the Indian parliament on April 2, 1954, Mr. Nehru made the following suggestions:

“(1) Some sort of, what may be called, “Standstill Agreement” in respect, at least, of these actual explosions, even if arrangements about the discontinuance of production and stockpiling, must await more substantial agreements amongst those principally concerned.

“(2) Full publicity by those principally concerned in the production of these weapons and by the United Nations, of the extent of the destructive power and the known effects of these weapons and also adequate indication of the extent of the unknown but probable effects. Informed world public opinion is in our view the most effective factor in bringing about the results we desire.

“(3) Immediate (and continuing) private meetings of the sub-committees of the Disarmament Commission to consider the “Standstill” proposal, which I have just mentioned, pending decisions on prohibitions and controls etc., to which the Disarmament Commission is asked by the General Assembly to address itself.

“(4) Active steps by States and peoples of the world, who though not directly concerned with the production of these weapons, are very much concerned by the possible use of them, also at present, by these experiments and their effects. They would, I venture to hope, express their concern and add their voices and influences, in as effective a manner as possible to arrest the progress of this destructive potential which menaces all alike.”

A few days later the Government of India requested that these suggestions be placed before the Disarmament Commission and its Sub-Committee. The Nehru proposals, however, have not yet been considered in the Sub-Committee or the Disarmament Commission nor was there any discussion of these proposals in the General Assembly at the 9th Session. On November 19, 1954, the Indian Government again asked that these proposals be taken into consideration by the Disarmament Commission.

With regard to the proposal of a ban on nuclear test explosions, the Delegation will note the views expressed in Annexes 4 and 5 (JIC papers 129 and 130 (55)).† It would appear that the immediate danger to human life resulting from test explosions is limited to the area surrounding the testing grounds, although in the case of larger weapons these areas are admittedly relatively large. Moreover, the significance of test explosions in relation to the maximum number of nuclear explosions permissible is negligible. From a military point of view continuance of tests would provide the best means of following the Soviet development of nuclear weapons. Canada's close association with the United States and the United Kingdom in the basic Western defence programme, which relies on the use of nuclear weapons, makes it difficult for us to support the suggestion of a ban on test explosions if it is considered that these tests are essential to the proper development of the defence programme. The United States recently confirmed its opposition to the proposed ban on tests. At the recent Commonwealth Prime Ministers' Conference, Mr. Nehru repeated his suggestion for a ban on tests which he said lent itself to “scientific” as opposed to “conventional” methods of control since it was possible for scientists to detect thermo-nuclear tests. In his reply, Sir Anthony Eden remarked that scientific checks were not wholly reliable and that the best course seemed to support what he called the French disarmament

proposals.⁷⁵ The United States Atomic Energy Commission Report of February 15, 1955, implicitly rejects the suggestion of a ban on nuclear test explosions.

There seems to be no objection to the Indian suggestion that there should be more publicity about the effects of nuclear weapons and a good deal of information on this subject has been released in the United States and the USSR since Mr. Nehru made his original suggestion (see in particular United States Atomic Energy Commission Report). It should be noted, however, that last September the United States expressed its firm opposition to the Nehru proposal as such which calls for "full publicity". At the Commonwealth Prime Ministers' Conference Sir Winston Churchill expressed the opinion that the essential facts about the destructive force of thermo-nuclear weapons should certainly be made known to the world. The report of the United States Atomic Energy Commission should be regarded as a noteworthy contribution to the task of educating public opinion.

Conclusions

At a recent Commonwealth Prime Ministers' Conference Lord Salisbury repeated the generally accepted thesis that the armaments race is the effect rather than the original cause of international tension and that nations can hardly be expected to disarm until some, at least, of the major issues remaining between the East and the West are resolved. This view was held by the United Kingdom and the United States during the abortive talks at the Palais Rose in 1951. General Eisenhower's speech of April 16, 1953,⁷⁶ also proceeded on the same assumption and the United Kingdom proposals on levels of armed forces presuppose not only agreement of the Austrian and German questions, but also the settlement of the Korean and Formosa issues and China's admission to the United Nations. There is no doubt, however, that once it has set in, an armaments race is itself a source of international tension. Any progress, therefore, towards the limitation of armaments would contribute to a lessening of this tension, and the Western Delegations should explore every possibility of reaching agreement with the Soviet Union. This is not to say that the Western powers should cater to a false sense of security. There is no doubt that the next logical step for the West is to ascertain in an unmistakable manner the true significance of the Soviet proposals submitted at the 9th session and the present intentions of the Soviet Government, bearing in mind the developments in Moscow of February 8 and their aftermath.⁷⁷ In this exercise the Western Delegations should avoid giving the appearance of adopting a purely negative attitude and thereby losing the initiative which they gained last spring.

The Anglo-French proposals might usefully be supplemented by addenda concerning the reduction and composition of armed forces and the type and volume of armaments for these forces which were the subject of a tri-partite working paper in 1952. Other fields in which further action might conveniently be taken are (1) the disclosure of information which is touched upon in the Soviet proposals and on which the Anglo-French plan is silent and (2) the International Control Organ. Both fields were the subject of somewhat

⁷⁵ Eden faisait peut-être allusion à la proposition anglo-française du 11 juin 1954 reproduite dans *Documents relatifs au désarmement 1954-1959*, pp. 18 à 20.

Eden may have been referring to the Anglo-French proposal of June 11, 1954 reprinted in *Documents on Disarmament 1945-1959*, Volume 1, pp. 423-424.

⁷⁶ Voir/See *Public Papers of the Presidents of the United States: Dwight D. Eisenhower, 1953*, Washington: United States Government Printing Office, 1960, pp. 179-188.

⁷⁷ Le 8 février 1955, le premier ministre de l'Union soviétique G. Malenkov a été destitué et remplacé par N. Boulganine. Voir le document 526.

On February 8, 1955, G. Malenkov was deposed as Premier of the Soviet Union and replaced by N. Bulganin. See Document 526.

detailed papers submitted by the United States in the Disarmament Commission and the Sub-Committee.

Whatever decisions are reached on the Indian proposals, the action taken by the Sub-Committee in this connection should be such as to satisfy the Indian Government that its proposals were given careful consideration.

The existence of stockpiles of nuclear weapons, over which scientific control is impossible, adds further importance to international inspection as the only means of controlling armaments, e.g., carriers and guided missiles, without which nuclear warfare cannot be effectively carried out. Attention is drawn to the conclusions outlined in Annex I, Appendix D,† and in particular to the view that an alert inspection team would probably prevent the production of major naval units, aircraft and heavy items of land armaments in secret.

52.

DEA/50271-A-40

*Note du sous-secrétaire d'État aux Affaires extérieures
pour le secrétaire d'État aux Affaires extérieures*

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

SECRET

[Ottawa], May 30, 1955

DISARMAMENT SUB-COMMITTEE

Attached is a summary report on the recent discussions of the Disarmament Sub-Committee in London. This report will be included among the documents sent this week to Cabinet members for their information.

J[ULES] L[ÉGER]

[PIÈCE JOINTE/ENCLOSURE]

*Résumé d'un rapport**Summary Report*

SECRET

[Ottawa], May 27, 1955

DISARMAMENT TALKS IN LONDON

FEBRUARY 25-MAY 18

The discussions of the Disarmament Sub-Committee in London may have brought about a substantial narrowing of the gap between the Western and Soviet positions. This is all the more remarkable in view of the negative attitude adopted by the Soviet Union at the outset.

2. Indeed the proposals tabled by the Soviet Delegation at the first meeting⁷⁸ represented a complete reversal of the Soviet position taken at the ninth session of the General Assembly in the fall of 1954 when Mr. Vyshinsky accepted the Anglo-French proposals "as a basis for discussion".⁷⁹ The Soviet proposals were a revised version of the old "ban the bomb" theme which, this time, suggested that "all states which possess atomic and hydro-

⁷⁸ Voir/See Documents on Disarmament 1945-1959, Volume 1, p. 447.

⁷⁹ Voir/See Volume 20, Document 138.

gen weapons ... should destroy completely all those weapons in their possession". Conventional armaments and armed forces under these proposals were to be left as they were and as per usual the question of international control would be discussed *after* the decision to destroy nuclear weapons. These proposals were of course completely unacceptable to the Western Powers since they would nullify the United States lead in the nuclear field while the Communist powers would retain preponderance in conventional armaments and armed forces.

3. The Soviet Government tried to gain propaganda advantages from these proposals by releasing them to the press in spite of the confidential character of the talks. When the Western representatives decided to let the record speak for itself and made ready to abandon the talks the Soviet Union found itself in a vulnerable position and reverted for all practical purposes to the Vyshinsky proposals presented at the ninth session. Although it did not call for the immediate destruction of stockpiles and even represented some improvement on the Vyshinsky proposals, the new Soviet plan fell a good deal short of the Western proposals on the vital issue of control.

4. In the meantime the Anglo-French proposals had been reintroduced in the Sub-Committee in the form of a resolution which was sponsored this time by all four Western members of the Sub-Committee. The adoption of a more co-operative attitude on the part of the Soviet Delegation during this second stage of the London talks permitted some useful exchanges between the Soviet and Western representatives. This happy development, however, was marred by the publication in *Pravda* (March 24) of a distorted account of the Sub-Committee proceedings followed on the same day by a more detailed distorted story given to the Tass correspondent in London by the Soviet representative on the Sub-Committee.

5. During the third stage, the Western powers attempted to answer the most serious Soviet objections to the Western proposals i.e.:

(1) The failure to specify precise time limits for each stage of the disarmament programme and for the programme as a whole;

(2) The postponement of total prohibition of nuclear weapons until all agreed reductions in conventional armaments and armed forces have been completed on an uncertain date.

6. To meet the first objection, the Western Delegations accepted the principle of precise time limits being embodied in the disarmament treaty "subject to any extension of time which may be essential in any phase to permit states to complete these measures". In addition, the United Kingdom and French delegations expressed the view that the entire disarmament programme might be completed in about three years. (The United States delegation was not very happy about this commitment and privately express the view that it would take at least one or two years longer.)

7. As to the second objection, the French and the United Kingdom delegations proposed what is probably the most important modification in the Western position since the tabling of the Anglo-French memorandum in June 1954. They proposed that instead of becoming effective only after the completion of all agreed reductions in armed forces and conventional armaments, the prohibition of the use of nuclear weapons should go into force upon the completion of the third quarter (i.e. 75%) of these reductions. Simultaneously, the elimination of stockpiles and the last quarter of agreed reductions would begin and both processes would be completed within the time limit laid down in the Disarmament Treaty. This considerable concession was made contingent upon agreement being reached with the Soviet Union on two essential points, i.e.,

(1) "Drastic reductions of the armed forces and conventional armaments of the Great Powers" and

(2) "The institution of an effective system of control which would operate throughout the whole disarmament programme".

8. On the first point the United Kingdom and the French Delegations submitted proposals whereby the forces of the United States, the U.S.S.R. and China would be reduced to between 1 and 1 1/2 million men, while those of the United Kingdom and France would be reduced to 650,000 men.⁸⁰ On the second point the four Western members, on the initiative of the United States Delegation, tabled a draft resolution outlining in some detail what they mean by effective international control.⁸¹

9. The London talks entered in their last phase following an interruption caused by the "illness" of the Soviet representative. After a number of frustrating exchanges during which the Soviet Representative ignored the Western representatives' concrete answers to the objections raised against their proposals, the Soviet Union tabled a twenty-two page document dealing with disarmament and "the elimination of the threat of a new war".⁸² These proposals insist on a rigid timetable whereby the whole disarmament programme would not only be negotiated but fully implemented by the end of 1957. The Soviet Government thus refused to accept the Western compromise on one of its two major objections to Western plans. The new Soviet proposals, however, embodied the Anglo-French compromise on phasing which had been presented to meet the other Soviet objection. They also included the United Kingdom and French proposals on the level of armed forces which was one of the conditions attached to their compromise on phasing. These concessions as such are undoubtedly of a major character.

10. The Soviet position on the second Anglo-French condition on an effective system of control is not clear. There is no specific indication that the Soviet Union is ready to accept the Western proposal that the officials of the control organ should be enabled to carry out inspection anywhere at any time in the territories of states. Nor is there any clear indication that the Soviet Government agrees that a control organ should be established and its officials installed in national territories *before* the implementation of the disarmament measures which they should supervise. The new Soviet paper, nevertheless, represents some advance towards the Western position of control. For instance, the U.S.S.R. now agrees with our view that there should be one permanent control organ which would have wide powers throughout the disarmament programme.

11. The new Soviet paper also agrees with the Western suggestion that states should pledge themselves not to use nuclear weapons "except in defence against aggression". The Soviet acceptance, however, is qualified by the provision that the exceptional use of these weapons should only be permitted "when a decision to this effect is taken by the Security Council" where the U.S.S.R. has a right of veto.

12. Against these concessions the new Soviet plan contains a number of features which did not appear in the Vyshinsky proposals of last September or in the new version of these proposals tabled at the second stage of the recent discussions. Most of these features were

⁸⁰ Voir/See *Documents on Disarmament 1945-1959*, Volume 1, pp. 452-453.

⁸¹ Le projet de résolution des Occidentaux a été déposé au sous-comité du désarmement le 8 mars 1955. The Western draft resolution was tabled in the Disarmament Subcommittee on March 8, 1955.

⁸² Voir *Documents relatifs au désarmement 1954-1959*, pp. 28 à 38./See *Documents on Disarmament 1945-1959*, Volume 1, pp. 456-467.

Pour une évaluation canadienne des propositions soviétiques, voir les pièces jointes au document 201./For a Canadian assessment of the Soviet proposals, see the enclosures to Document 201.

actually present in various proposals put forward in the past during discussions on disarmament proper or on "the reduction of international tension". They call for the dismantling of all military bases in foreign territories (by 1957), the immediate withdrawal of occupation troops from Germany followed by the formation of "strictly limited contingents of local police forces", the condemnation of war propaganda, the removal of every form of discrimination in the field of trade, etc.

13. It is clear that the new proposals were submitted partly for propaganda purposes and in particular with an eye to the German problem. This is borne out by the fact that they were made public shortly after their presentation in the sub-committee in spite of requests by the Western members that the proposals should not be released, at least not until they had had an opportunity to study them. The question now arises whether the concessions made by the Soviet Union on the problem of disarmament, which are indeed impressive by any standards, are conditional upon the acceptance by the West of the suggestions on other issues contained in the proposals and in particular on the neutralization of Germany. If this were to be the case, the value of the recent Soviet concessions would be reduced considerably.

53.

DEA/50271-A-40

*Note du sous-secrétaire d'État aux Affaires extérieures
pour le secrétaire d'État aux Affaires extérieures*

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

SECRET

[Ottawa], July 22, 1955

PRESIDENT EISENHOWER'S NEW DISARMAMENT PROPOSALS⁸³

As you may have seen in the newspapers, President Eisenhower, in a surprise move suggested that the United States and Russia should "give each other a complete blueprint of our military establishments, from beginning to end, from one end of our countries to the other." Furthermore, the scheme would call for the exchange of facilities for aerial photography. "Next to provide within our countries facilities for aerial photography to the other country — we to provide you the facilities within our country, ample facilities for aerial reconnaissance, when you can make all the pictures you choose and take them to your own country to study, you to provide exactly the same facilities for us and to make these examinations, and by this step to convince the world that we are providing as between ourselves against the possibility of great surprise attack thus lessening danger and relaxing tension."

⁸³ Après les réunions du sous-comité tenues à Londres, les discussions sur le désarmement se sont déplacées à Genève, où les chefs de gouvernement des États-Unis, de l'URSS, du Royaume-Uni et de la France se sont rencontrés en juillet. Le discours d'Eisenhower à la Conférence de Genève a été consacré au problème de l'élaboration d'un système d'inspection et de rapport destiné à soutenir un accord de désarmement. Voir France, Ministère des Affaires étrangères, *Documents Diplomatiques Français 1955, Annexes, Tomes II*, Paris: Imprimerie Nationale, 1988, pp. 96 à 98. Pour une évaluation canadienne, voir le document 201.

Following the conclusion of the London meetings of the sub-committee, disarmament discussions shifted to Geneva where the heads of government of the United States, the USSR, the United Kingdom and France met in July. Eisenhower's speech at the Geneva Conference was devoted to the problem of establishing an inspection and reporting system to support a disarmament agreement. See *Documents on Disarmament 1945-1959*, pp. 486-488. For a Canadian assessment of these talks, see Document 201.

2. These proposals of President Eisenhower would represent only a first step but in the right direction. They are based on the assumption that full control as envisaged in the United Nations atomic energy control plan is no longer feasible and they are along lines which go beyond but are broadly similar to the inspection scheme embodied in the Malik proposals. While Bulganin's first reaction has been to suggest that there should be no more nuclear weapon tests, he has not yet given any indication of Soviet views as to the substance of the proposals.

3. The great advantage of President Eisenhower's proposals (even if they have been made on the assumption that the Russians will not accept them), is that they draw attention to the essence of the problem of inspection and warnings and short of the full control which may be unobtainable they may open the way for the further useful round of discussion in the Sub-Committee.

4. It is clear that even if the Russians were to accept the proposals other steps would have to be taken before confidence could be established and a serious reduction in armaments could be undertaken. The problem of new weapons such as the I.B.M. will have to be studied carefully; it is doubtful whether aerial photography could provide adequate warning against preparations to use such weapons, but the President's proposals would certainly achieve more effectively the kind of controls the Russians have indicated they might accept. As required, further arrangements could be envisaged in step with weapons development.

5. Another advantage of the proposals under consideration is that they isolate, in a sense, the technical from the political aspects of disarmament. It remains to be seen whether the Russians will insist on linking any discussion on this subject with the question of bases and the withdrawal of occupation forces from Germany. In another sense, however, willingness to discuss these proposals on their own will provide a significant indication as to Russian intentions and their willingness effectively to reduce tension. If the Russians persist in a propaganda approach to the whole issue, a useful point will have been established.

6. It is assumed that the Eisenhower proposals will now be discussed in the Sub-Committee: the objective will be to determine:

(a) Whether the Russians are prepared to discuss these new proposals on their merit;

(b) How these proposals should be related to the Western proposals as they now stand. No doubt, inspection is a mere beginning. A disarmament treaty will still be needed; forces will have to be reduced and the whole plan for banning the use of atomic weapons and eliminating them remains valid.

(c) Whether if they accept the proposals under advisement, the Russians will be prepared to make gradual advances to provide adequate assurances to all concerned as present or new weapons are being developed.

6. In short, if the Russians will co-operate, the Eisenhower new proposals offer most interesting scope for progress without sacrificing Western basic principles and interests; they provide an opportunity for testing Soviet intentions in an approach which seems to be compatible with recent Soviet suggestions. Irrespective of their other merits, the proposals in question have obvious propaganda value for the West.

[7.] I think we should bear in mind that any such scheme, if generally acceptable, will involve Canada directly. We should foresee the day when Canadian skies would have to be open to Soviet inspection planes.⁸⁴

J[ULES] L[ÉGER]

54.

DEA/50271-A-40

*Note du sous-secrétaire d'État aux Affaires extérieures
pour le secrétaire d'État aux Affaires extérieures*

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

CONFIDENTIAL

[Ottawa], July 27, 1955

CANADIAN MEMBERSHIP IN THE DISARMAMENT SUB-COMMITTEE

As you suggested we have considered the question of our membership in the sub-committee.

2. There is no doubt that our participation in the discussions in the sub-committee creates problems for us

(a) we are not really in the same league as the other members;

(b) as we are not involved in the development of atomic energy for military purposes, we lack experience to make a large contribution to the substantive discussions, particularly on control;

(c) we do not have in this or in the other departments concerned in Ottawa, the administrative machinery to support as adequately as we might wish our representative in the sub-committee;

(d) now that discussions on disarmament are more directly related to German reunification and European security our participation in the disarmament discussion may imply responsibilities which exceed any commitments we may be willing and able to make.

3. There are however some reasons why we should not withdraw from the sub-committee:

(a) it would be impossible now for us to leave the sub-committee without some embarrassment;

(b) our importance in some fields relating to atomic energy warrants our presence;

(c) our membership underlines our growing importance in world affairs and expresses the Canadian view on the functional approach: that irrespective of their general importance, on certain subjects, some countries may have a special contribution to make (the contribution we can make is certainly greater than that of many other countries);

(d) within the sub-committee we have been able on occasion to help reconcile U.S. with divergent French-U.K. views;

(e) it has been possible for us on other occasions to intervene between the Western Powers and the U.S.S.R.;

(f) our approval of certain Western positions in the sub-committee may not have been without influence in rallying support from NATO and non committed nations;

⁸⁴ Léger a ajouté le paragraphe 7 à la main./Léger added paragraph 7 by hand.

(g) in fact, our presence on the sub-committee provides a link between the Big-Four and the United Nations; while this link may be rather tenuous, it serves as a sort of symbol in questions of disarmament and the Big-Four are not left on their own.

4. On balance, I think that a case can be made for our continued membership at this stage. The sub-committee has been given a clear mandate by the General Assembly and by the Big-Four at Geneva: it should complete this task. The next round of discussions in the sub-committee in August may not get very far as it is probable that no one will wish to make important decisions before the Foreign Ministers have made another effort to solve the German and related issues.

5. As already mentioned, one of the difficulties in our participation in the work of the sub-committee is the fact that we do not belong to the same league as the other members. This could naturally be remedied by ways other than our withdrawal; either by an increase in the number of sub-committee members or by referring the question of disarmament to another body. Neither course appears to be as satisfactory as the present one. The first one would, I think, be opposed on the ground that any additional membership would create more problems than it would solve, while the second one is related to the idea of specialized agencies which you have in mind. Our inclination in the Department is to think that such an agency would not perhaps be suitable to promote agreement in this highly specialized field, because membership would be too wide. Such an agency could, however, implement arrangements worked out between Foreign Ministers or even, if feasible, through the Disarmament Commission.

6. If we are to continue as a member of the sub-committee as I think we should, serious consideration will have to be given to the creation of staff and organization capable of continuous and expert study of all aspects of our disarmament policy. This would involve, it might be expected, the establishment of a staff in Ottawa for this purpose involving both External Affairs and National Defence personnel, and it might require also the appointment of either a senior expert adviser or an alternate to the Canadian Permanent Representative in New York, who might not be able to combine the increased amount of work to be expected on disarmament with his other U.N. responsibilities.

J[ULES] L[ÉGER]

55.

DEA/50271-A-40

*Le haut-commissaire au Royaume-Uni
au secrétaire d'État aux Affaires extérieures*

*High Commissioner in United Kingdom
to Secretary of State for External Affairs*

TELEGRAM 1073

London, July 27, 1955

TOP SECRET

Reference: Our telegram No. 1070 of July 26.†

DISARMAMENT

When Mr. Nutting spoke to Miss Meagher on Monday about the work of the Sub Committee at its resumed session beginning on August 29 he made the following points:

(a) The United States position on disarmament was now even more cautious than it had been when the Sub Committee recessed in May. There was absolutely no hope of

obtaining United States support for the Anglo-French 75 proposal or the proposal on levels of forces.⁸⁵ The United States would probably not go so far as to write itself out of the Four Power plan of March 8, but it is in fact no longer interested in pushing it. Nutting's firm conviction, which he passed on for our secret ear, is that present United States policy is opposed to any attempt to secure nuclear disarmament. Whether or not the United States wished to pursue the goal of conventional disarmament, he does not know, but the Russians would certainly not agree to such a one-sided proposition and in any event it does not matter if nuclear war-making potential remains unaffected. This assessment of present United States thinking Nutting based mainly on talks he had with Stassen in Paris. In these talks Stassen emphasized, as he had done with Mr. Heeney, that while as a result of recent studies he had been led to reject certain previously held concepts, he had not yet reached any positive conclusions on how best to attack the problem from here on. (He did, however, make some reference to the possibility of concentrating on means of delivery in any system of international inspection which might be established).

(b) Given the United States position there is now no purpose to be served in trying to rewrite the western plan. It is out of date as it stands (having been overtaken by the Soviet proposal),⁸⁶ the Anglo-French proposed amendments are in cold storage, the French proposal put forward by Faure at Geneva is a non-starter⁸⁷ and the Soviet proposals will certainly not be accepted by the Americans.

(c) In the light of the foregoing, we on the western side must work out some plan of action for consideration in the Sub Committee. Nutting does not yet know what the Americans have in mind except that he is quite sure that they will want to concentrate attention on the control aspect, probably in the limit sense of inspection, reporting and warning systems. Nutting's own idea is that the United Kingdom delegation should table a new paper based on the proposal made by Eden in Geneva for a system of joint inspection of forces in specified areas on either side of the line dividing Eastern and Western Europe.⁸⁸ Nutting himself is going on leave in a few days but if the Secretary of State agrees that a paper of this kind should be prepared, he will pass on this task to a committee of officials, including the Vice Chiefs-of-Staff and Pink of the Foreign Office. His idea is that the paper should spell out in some detail provisions on the composition of the inspection teams, the

⁸⁵ Cela concerne l'article 2 de la note anglo-française du 19 avril 1955, laquelle stipule notamment que « the process of eliminating all nuclear stocks should be carried out at the same time as the final quarter of the agreed reductions in armed forces and conventional armaments begins, that is to say, when 75 per cent of those reductions have been completed. » Voir *Documents on Disarmament 1945-1959*, Volume 1, pp. 453-454.

This refers to Article 2 of the Anglo-French memorandum of April 19, 1955 which states that "the process of eliminating all nuclear stocks should be carried out at the same time as the final quarter of the agreed reductions in armed forces and conventional armaments begins, that is to say, when 75 per cent of those reductions have been completed." See *Documents on Disarmament 1945-1959*, Volume 1, pp. 453-454.

⁸⁶ Pour la proposition soviétique du 21 juillet, voir *Documents Diplomatiques Français 1955, Annexes, Tomes II*, pp. 161 à 162. For the July 21 Soviet proposal, see *Documents on Disarmament 1945-1959*, Volume 1, pp. 484-485.

⁸⁷ Voir *Documents relatifs au désarmement 1954-1959*, pp. 43 à 45.

See *Documents on Disarmament 1945-1959*, Volume 1, pp. 489-492.

⁸⁸ Voir le document 201. Voir aussi *Documents Diplomatiques Français 1955, Annexes, tome II*, pp. 29-31, et p. 167.

See Document 201. See also *Documents on Disarmament 1945-1959*, Volume 1, pp. 478-480 and 488-489.

areas and the items within those areas to be subject to inspection, the rights of teams in the specified areas, etc.⁸⁹

(d) Nutting referred to a memorandum on disarmament which he was sending to the Secretary of State and he handed over copies of the two annexes to this memorandum. These annexes deal with the subject of control in the context of a universal disarmament agreement and spell out (I) the rights of an international control organ and (II) items subject to control. In the second annex the items listed in group C would be subject to inspection only when the control organ had reasons to suspect a violation of the agreement but they would not be under the supervision of permanent inspection teams as would the items in A and B. (The two annexes are contained in our immediately following telegram†). Nutting seemed to think that papers of this kind might be useful as a basis for an exercise in “groping” with the Russians towards some solution of the control problems and also, in so far as the specific points were applicable, in working out details of a limited European inspection scheme along the lines of the Eden proposal.

(e) Nutting emphasized that what he was saying about possible United Kingdom action in the Sub Committee was little more than his own thinking aloud. He was sold on the idea of using the Eden proposal as a basis for a United Kingdom paper for which he would hope to win United States, French and Canadian support, but he had not cleared this with the Secretary of State, officials had not had an opportunity to study the practical implications of developing such a plan and he had no idea whether the Americans would consider it.

2. The United Kingdom will keep in touch with us here and as soon as any definite ideas emerge, the delegation in New York will be consulting with our delegation. Meanwhile, Nutting said the United Kingdom would be most grateful to learn anything we may know or pick up about United States plans for the work of the Sub Committee.

3. Nutting asked if you would confirm that August 29 is agreeable to you as the date for the re-convening of the Sub Committee. He would be interested to know who will be heading our delegation. We explained that Mr. MacKay was taking over from Mr. Johnson as our permanent representative to the United Nations but we could not say for certain that he would sit for Canada on the Sub Committee. Nutting’s present plan is to go to New York four or five days ahead of the opening of the Sub Committee for consultations with the other western delegations.

56.

DEA/50271-A-40

*Le secrétaire d'État aux Affaires extérieures
au représentant permanent auprès des Nations Unies*

*Secretary of State for External Affairs
to Permanent Representative to United Nations*

TELEGRAM 303

Ottawa, August 8, 1955

CONFIDENTIAL. IMPORTANT.

Reference: Your telegram 398 of August 1.†

⁸⁹ Pour une évaluation canadienne, voir le document 201.
For a Canadian assessment, see Document 201.

MEETING OF DISARMAMENT SUB-COMMITTEE

We have no objection to the date of August 29.

2. Our preliminary thinking on the forthcoming meeting of the sub-committee runs along the following lines:

Purposes of meeting: Theoretically the meeting could have three objectives:

- (a) a discussion on substance;
- (b) preparation for the meeting of the Foreign Ministers;
- (c) preparation of the report to the Disarmament Commission.

In general, we are inclined to consider that it is unlikely that there can be great progress in dealing with substantive issues or that considerable headway can be achieved in the preparation for the Foreign Ministers' meeting.

3. It remains to be seen whether the Russians will agree to isolate the disarmament question from the other related issues. If they are not prepared to do so, it is obvious that not much progress will be possible. In any case, even if the Russians were prepared to agree to a discussion on disarmament itself, as a separate issue, it is doubtful whether any hard bargains could be made even on disarmament, before the parties concerned have an idea of how far the other side is prepared to go as regards German unification. The obstacles, therefore, to a substantive discussion stem not only from the Soviet attitude but also from the nature of the subject itself.

4. Such being the case, it seems that it might be more profitable if the meeting were to make an attempt to deal with the more limited Eden proposals for regional disarmament. It might be possible to find out to what extent common ground could be found between the Soviet and Eden proposals. Even, if, as we suspect, not much progress can be achieved, the ground will have been explored and this may be helpful to the Foreign Ministers. To this extent, therefore, the meetings of the sub-committee may serve a useful purpose as regards the second objective.

5. In general, I expect that the sub-committee will really divide its work in two parts: the Western Representatives will elaborate the proposals made in Geneva, give a more detailed explanation of their position, and, as a second part, I foresee that they can explore the Soviet proposals.

6. *Tactics:* It is very important from our point of view that there should be close consultation between the Western Powers before the meetings of the sub-committee. In Geneva, there was every appearance of lack of co-ordination between the Western Powers. This may have more serious consequences in New York where the discussions will be more detailed.

(b) We should emphasize, in the course of the preliminary discussions, that any attempt to deal with disarmament in terms of propaganda will backfire very badly. We have in mind particularly Mr. Moch's intention to raise again Mr. Faure's proposals which we understand may have been inspired by electoral considerations. Any emphasis in such a scheme will in our view not only create considerable difficulties with the non-committed countries but will also weaken opinion in the NATO countries when the governments responsible will have to make a very delicate decision as to the degree of deterrent forces which should still be retained.

(c) The Western Powers should make every effort in the course of the Sub-Committee meetings to explore the prospects of reaching even limited agreement with the Russians and from this point of view it seems to us that the United Kingdom proposals offer the best prospects.

(d) While it will be desirable to seek clarification from the USSR on some aspects of their proposals, in view of the diverse and novel character of some of the Western proposals, it should not be too difficult for the West to retain the initiative in the course of the next round of discussions.

7. We would want you to be a Canadian representative on the sub-committee unless you see any objection to this course. The sub-committee meetings would provide a good opportunity to acquaint yourself in detail with an important problem at a time when the delegation may not be unduly burdened. Our present plan is to have Mr. Martin also attend the opening meetings as senior representative. Whether he remains after that will depend on the course of the discussion. He would also be available, of course, when he is attending the Assembly if the sub-Committee should continue to meet then.

57.

DEA/50271-A-40

*Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis*

*Secretary of State for External Affairs
to Ambassador in United States*

TELEGRAM EX-1426

Ottawa, August 13, 1955

SECRET. IMPORTANT.

Repeat London No. 1319; Permdel No. 311.

DISARMAMENT SUB-COMMITTEE

You will have noted from London telegram No. 1140† repeated to you that the preliminary meeting of Western representatives on the sub-committee might take place in Washington instead of New York.

2. As intimated earlier, we attach a good deal of importance to this preliminary meeting. We are wondering whether the meeting could usefully decide on tactics without dealing to some extent with fundamentals in the light of significant developments since the end of the London discussions. With this in mind we agree with the suggestion that the preliminary meeting of Western delegations might take place in Washington since this might facilitate the discussion of substantive matters, with Stassen's experts in the background. We are not suggesting here that the meeting can hope to make a thorough reappraisal of all aspects, but we think an effort will have to be made to consider the main assumptions and the broad objectives so far as time will permit. This might serve as a starting point for a joint Western re-examination of the whole problem which might be continued after the meetings of the sub-committee. It may well be that Stassen will be able to supplement his preliminary report of July 14 by the time the Western discussions take place.

3. Since the British have apparently come to the conclusion that a detailed consideration of the Eden proposals would not be practicable during the next meeting of the sub-committee we are inclined more and more to take the view that the next meetings of the sub-committee will be reduced to a clean-up operation in time for the consideration of its report by the Disarmament Commission and the Assembly. At this stage, we are wondering whether an effort might not be made to postpone the discussion of the disarmament item as much as possible in order to avoid an unduly lengthy debate in which a large number of countries might feel compelled to participate in the light of the Geneva Confer-

ence. The achievement of this aim might be facilitated by the fact that the Foreign Ministers will be meeting in Geneva beginning on October 27.

4. We have already asked the military authorities for their opinion on the Eisenhower proposals put forward in Geneva. Our own initial reaction is that if the plan for aerial surveys were to be extended to cover the Satellites and China in addition to being acceptable to the U.S.S.R. and the United States we could not very well stand in the way of general agreement.

5. We are not altogether happy with the suggestion in paragraph 6 of the London telegram that the aim of prohibiting nuclear weapons should be openly abandoned. We realize of course that such a move might well be implicit in an East-West settlement on a *modus vivendi*, but we think a change of aim might better be presented as a practical and feasible interim solution with total disarmament remaining as the eventual goal.

6. We should appreciate your discussing these matters informally with the State Department with the exception of that raised in paragraph 5. Although we have not yet been directly approached on the question of the preliminary meeting taking place in Washington, this will no doubt come up during your discussion and you will then be in a position to express our preference for this arrangement.

58.

DEA/50271-A-40

*L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures*

*Ambassador in United States
to Secretary of State for External Affairs*

TELEGRAM WA-1415

Washington, August 18, 1955

SECRET. IMPORTANT.

Reference: Your EX-1426 of August 13, 1955.

Repeat Permdel No. 77; London No. 51.

DISARMAMENT SUB-COMMITTEE

We discussed with David W. Wainhouse, Deputy Assistant Secretary for International Organization Affairs, and Paul T. Meyer, Director, Executive Staff, State Department, United States thinking concerning substance and tactics on disarmament proposals at the forthcoming meeting of the Disarmament sub-Committee and at the next session of the General Assembly. We gave, on the basis of your message under reference, indications of Canadian thinking on disarmament. We opened our remarks by a reference to the Ambassador's conversation of July 11 with Harold Stassen (reported in our teletype WA-1172†) in which Mr. Stassen gave the outline of the United States approach to disarmament from which President Eisenhower's Geneva proposals for aerial surveys emerged and recalled that emphasis had been placed in that conversation on the desirability of maintaining close contact between the United States and Canada. We then indicated that, in our view, efforts should be made to consider the substance of our objectives in the field of disarmament.

2. *Meeting of the Four.* Wainhouse told us that the four Western Powers on the disarmament sub-Committee will, no doubt, wish to continue their consultations prior to full meetings of the sub-Committee after the sub-Committee resumes. It will, of course, be useful to consult at greater length before the sub-Committee meets on August 29. Such consultations

could take place on the 25th or 26th of [August] and it is felt that New York would be a convenient place to hold them. Governor Stassen will take up this matter with the United Kingdom, French and Canadian Representatives shortly.

3. Although Cabot Lodge will be the official head of the United States Delegation on the Committee, Stassen is expected in fact to represent the United States. He may be assisted by a few more advisers than the United States Delegation had in London. Stassen will give the United Kingdom, French and Canadian Delegations as much information as possible on United States positions during the consultations prior to the meeting of the full sub-Committee.

4. *Sub-Committee Meeting and Assembly Discussion.* Wainhouse indicated his personal preference for private meetings, but, referring to the Russian attitude during the last session of the sub-Committee in London, said that the formula used in Geneva of separate briefings after meetings of the sub-Committee might have to be considered.

5. Wainhouse said that in present circumstances he could see personally no advantage to an early discussion in the Assembly of disarmament proposals and that he would certainly prefer if consideration of the disarmament items could be postponed until late in the course of the session. Similarly, he would prefer if meetings of the full Commission were deferred. It is believed that the Australian and Philippine Governments will wish to cooperate with the four concerning their resolutions. Meyer pointed out that the Indian proposal for a moratorium on atomic tests is of a different nature and implied that the Indians might not be guided as easily by the desires of the four concerning the handling of their resolution. The sub-Committee, when it resumes, will have before it the Geneva proposals. Wainhouse indicated that he thought it would be desirable if agreement among the four could be secured for concentrating, as much as possible, the discussion in the sub-Committee on the Eisenhower proposal. The Eisenhower proposal is considered, as was re-emphasized by Secretary Dulles yesterday (August 16), basic to progress in the field of disarmament.⁹⁰ Stassen will probably be in a position to spell out the proposal in some detail at the preliminary meeting of the four.

6. *Eisenhower Proposal.* We enquired as to whether, in the United States thinking, the Eisenhower proposal for aerial survey would, or should, be extended to countries other than the United States and the USSR. The proposal and its various implications are presently under most active consideration in the United States Government and no final position has been reached yet. It is expected that the USSR if it decides to go along with the proposal, will ask for extension of the territorial scope to include at least the United States military bases in Europe. As for China, we were interested in Wainhouse's personal and emphatic comment that "it will have to be included in the proposal since otherwise the loop-hole would be of such size that the whole of Europe could be put through it". Wainhouse was careful to say, however, that this was a purely personal view.

7. We asked what was the United States attitude concerning discussion of the Russian proposal for the setting up of inspection teams in ports and at other strategic locations. Wainhouse noted first that these suggestions are unpalatably reminiscent of the NNSC and that the United States was not favourably disposed towards the idea of that type of control.

⁹⁰ La transcription de la conférence de presse de Dulles est reproduite dans United States, Department of State, *Bulletin*, Vol. 33, August 29, 1955, pp. 338-342. Voir aussi *Documents on Disarmament 1945-1959*, Volume 1, pp. 497-498.

A transcript of Dulles' news conference is reprinted in United States, Department of State, *Bulletin*, Vol. 33, August 29, 1955, pp. 338-342. See also *Documents on Disarmament 1945-1959*, Volume 1, pp. 497-498.

If the USSR agreed to the Eisenhower proposal, however, — and the State Department has noted with particular interest Bulganin's statement emphasizing that his country has not rejected the proposal — consideration might be given at a later stage to combining the various means of controlling disarmament.

8. In response to our query on the United States intentions concerning proposals to put a ceiling on military forces, Wainhouse said that it was expected that discussions on the President's proposals would be rather lengthy and that, tentatively, the United States would hope that discussions on other proposals could be deferred. This view seems to us very optimistic and we have some doubts whether the USSR would agree to such a limitation.

9. The State Department, we were told, would welcome any ideas or suggestions Canada might care to advance on the foregoing matters.

59.

DEA/50271-A-40

*Le secrétaire d'État aux Affaires extérieures
au représentant permanent auprès des Nations Unies*

*Secretary of State for External Affairs
to Permanent Representative to United Nations*

TELEGRAM 338

Ottawa, August 25, 1955

SECRET. IMPORTANT.

Repeat Washington No. 1497; London No. 1377; Paris No. 504.

DISARMAMENT SUB-COMMITTEE

We see merit in the United States suggestion that the West might give priority to the Eisenhower proposals during the forthcoming meetings of the Sub-Committee on the assumption, of course, that the mere outline of the President's ideas in his Geneva speech will be considerably amplified by Stassen. We welcome this suggestion in view of the fact that the British are apparently unwilling to seize this Sub-Committee at this stage of the Eden proposals; a detailed examination at this stage of the Faure plan would appear to be undesirable.

2. The military authorities have now concurred in our view that the Eisenhower proposals for aerial surveys and the exchange of blueprints beyond the territories directly under the control of the United States and the USSR is acceptable from a Canadian point of view, provided this extension is placed in the framework of a proposal to extend aerial surveys generally to cover all the territories from which a military threat might emerge, and especially China and the satellites. They have expressed the opinion that "anything which can mitigate against a surprise attack by air on North America should be encouraged. If some definite arrangements could be made whereby this reconnaissance could be carried out, it may be possible for us to relax somewhat on our present concept of twenty-four a day manning of the early warning lines, which will be a very expensive and difficult operation to carry out over a prolonged period."

3. These views relate of course to the President's proposals as expressed in Geneva. This matter will presumably have to be reconsidered in the light of any supplementary U.S. proposals which may be submitted during the forthcoming discussion.

4. Although the French plan, in the latest version available at the time of writing, provides that only *part* of the savings resulting from disarmament should be earmarked for

international development, most of the comments made earlier on the plan (our memorandum of July [19], † and telegram No. 303 of August 8) still apply. In addition to the objections already put forward, we see substantial practical difficulties in calculating bona fide military expenditures of the participating countries, in devising a common statistical basis for calculating such expenditure and in reaching agreement on the proportion of savings which are to be used (a) by the Government concerned, (b) for the economic and social development of states or territories constitutionally linked with the Government concerned, and (c) by the international agency.

5. A more fundamental objection relates to the attempt made in the French plan to create an "organic link" between disarmament and aid to underdeveloped countries. From an economic point of view there would not appear to be much of a relationship between the desirable rate of disarmament and either the needs of the underdeveloped areas for external assistance or their capacity to absorb such assistance. (Nor does there appear to be any direct relationship between the rate of disarmament and the requirements of the states concerned for other Government expenditures, including those earmarked for the economic and social development of states or territories constitutionally linked with the Government concerned).

6. In general, while recognizing a short term propaganda advantage in Mr. Faure's initiative we consider that by insisting on a detailed consideration of their plan at this stage the French are putting the cart before the horse. There is probably general agreement that disarmament should normally bring about more substantial contributions to technical assistance programmes and it may be that arrangements for increased development of underdeveloped countries could be worked into the general disarmament system, but we can nearly see any point in complicating an issue which is already complex by dealing with difficult proposals which can only be implemented if and when agreement is reached in the first place on disarmament proper. Most of all, unless and until a fool-proof budgetary control system is devised (this, incidentally, is made more difficult by the earmarking of only part of armaments savings) the launching of the French plan at this stage threatens, in our view, the very thing which has promoted progress in reducing international tension and in particular in disarmament negotiations. As already intimated, it makes it more difficult for the West, psychologically and otherwise, to maintain the necessary position of strength both from the internal point of view and from the point of view of Western dealings with neutral countries.

7. In discussing the French plan we should emphasize that we do not consider that it should be rejected but rather that it has merit and that the time for detailed study might more appropriately come later. The objections outlined are intended for your guidance only and not for discussion with the French at this stage. While putting forward objections to the immediate study of the Faure plan we should at the same time indicate that Canada shares, of course, the hope of the French Prime Minister that as any international disarmament scheme takes effect substantial contributions will be made to the economic development of underdeveloped countries. This hope has already found expression in the General Assembly resolution adopted in 1953 which was approved by Canada.⁹¹ As the French are well aware, Canada is one of the Western countries which is already making available considerable amounts of resources to assist in the development of under-developed countries. We have not yet seen the final text of the Faure plan⁹² announced in Paris letter No.

⁹¹ Voir le volume 19, chapitre III, 4^e partie./See Volume 19, Chapter III, Part 4.

⁹² Voir *Documents relatifs au désarmement 1954-1959*, pp. 39 à 41.

See *Documents on Disarmament 1945-1959*, Volume 1, pp. 498-501.

1533† being sent to you in today's bag. We intend to consult the Department of Finance on receipt of the final paper.

8. In addition to the considerations mentioned in the first paragraph above, concentration on the Eisenhower proposal would draw attention away from the fact that the United States has not yet approved ceilings on armed forces already accepted by the USSR and also the Anglo-French compromise on the timetable for the prohibition of nuclear weapons. It might at the same time postpone decisions on the question of nuclear tests and of "not to be first in the use of atomic weapons" mentioned in the Soviet proposals of July 21.

9. It remains to be seen of course whether the Russians will agree to limit discussions in the Sub-Committee to the Eisenhower proposals. They could legitimately ask that their own Geneva proposals be also discussed, not to mention their paper of May 10. The Big Four directive can probably be interpreted as not excluding the consideration of the political proposals mentioned in the latter paper and repeated in Geneva if the Russians decide to insist on this course.

10. The Russians may also be hammering, as they did in Geneva, on the prohibition of nuclear weapons which is mentioned seven times in their Geneva paper. If this turns out to be the case the West should avoid being manoeuvred into a position where they would appear to have abandoned this all-important aim, or of having ignored it as seems to have been the case in Geneva, (paragraph 5 of our telegram No. 311).

11. This points to the desirability of continuing to emphasize control and inspection. As you know, Eisenhower insisted that priority be given to this aspect in the Geneva directive but he ultimately withdrew his proposal in return for Soviet agreement that no reference be made to the question of prohibiting nuclear weapons. One possible outcome of a discussion on control would be a narrowing of the gap between the two sides resulting from a combination of features from the Eisenhower plan and the Soviet inspection proposals of May 10. We think there may be ground for some bargaining in this direction provided, of course, the two major powers are not looking at the forthcoming exercise as just another opportunity for propaganda. It may well be, however, that progress in this limited field would prove impossible in the time available, on the assumption that the Sub-Committee will wish to report to the Disarmament Commission in time for the Assembly debate.

12. It occurs to us that if the discussions were to centre on the Eisenhower proposals and the question arose of considering the institutional arrangements required in this connection, there may be an opportunity to suggest that the purpose would be served by setting up an agency of the kind the Minister has in mind. We leave it to your judgment, however, to decide whether such a move might be usefully made in the course of the discussions or whether the idea might not be introduced more effectively at a later stage.

13. While the Americans may have a perfectly valid case, objectively speaking, for insisting on the consideration of the Eisenhower plan as the most promising avenue on which progress could henceforth be made, we are concerned lest their case might be presented in a manner which would place the whole debate from the very beginning in a propaganda context. In our view the plan should not, for instance, be presented as a *sine qua non* condition of any further progress in disarmament negotiations. Nor should it be inferred by the West that the Eisenhower programme is from now on the only conceivable field of discussion and one about which the other members of the Sub-Committee may be in a position to give immediate and final reactions. In this connection we were wondering whether the Americans have given any thought to the attitude they should take in the event that the questions of ceilings and timetable should come under consideration as may well

be the case. The Western members might usefully sound out the Americans on the points mentioned in this paragraph during preliminary discussions.

60.

DEA/50271-A-40

*Le représentant permanent auprès des Nations Unies
au secrétaire d'État aux Affaires extérieures*

*Permanent Representative to United Nations
to Secretary of State for External Affairs*

TELEGRAM 459

New York, August 26, 1955

SECRET. IMMEDIATE.

Repeat London No. 20; Washington No. 173.

DISARMAMENT

We had a preliminary meeting with Stassen and his team today at which he outlined in broad terms his intentions for the Sub-Committee meetings.

2. He will endeavour to concentrate discussion on the President's Geneva proposal and he will be prepared to spell out the proposal in further detail, for example expanding on the meaning of the exchange of blueprints, asking suggestions regarding ports-of-entry for reconnaissance aircraft, the preliminary inspection of the aircraft by the host country, arrangements for representatives of host countries to go aboard the planes, etc. The USSR has announced publicly that it is studying the Eisenhower proposal and Stassen has informed the Soviet Embassy in Washington that the United States will be prepared to assist the USSR in any way in its study.

3. Regarding earlier disarmament proposals made by the United States or made by other western countries and supported by the United States, Stassen said that at an early date in the Sub-Committee meetings, he would take an opportunity to inform the Sub-Committee that the United States regarded all its earlier proposals as having a "reserved and inactive status". They will not be withdrawn but they are not renewed. The chief reason for this, which I gathered he would state explicitly, is the fact that there is no inspection method by which all nuclear material could be completely accounted for and there is therefore no way by which you could support the complete elimination of atomic weapons. He said that the United States did not want to be held to or questioned on previous proposals which may be out moded, and he referred several times to the "unattainable" elimination of atomic weapons. Seeking elaboration of this rather disconcerting announcement, I inquired how the United States position, as it would be put forward at the Sub-Committee meetings, would fit in with the Four-Power Resolution submitted on March 8 in London which constitutes the latest agreed western proposal on a comprehensive disarmament programme.⁹³ He said that the Eisenhower proposal was not inconsistent with this earlier programme but repeated that since there was no way to support the elimination of atomic weapons, the United States would regard the March 8 resolution as having a reserved and inactive status.

4. In the United States view, the way to begin the move towards disarmament was to develop "openness" in the first place as between the United States and the USSR. This

⁹³ Voir *Documents relatifs au désarmement 1954-1959*, pp. 21 à 23.

See *Documents on Disarmament 1945-1959*, Volume 1, pp. 448-450.

must first be developed to the point where a surprise attack by either of the great nuclear powers could be ruled out. When a blanket comprehensive surprise attack from either the United States or the USSR was no longer possible because of the mutual inspection arrangements made between them, it would then be feasible to proceed with a programme of disarmament (even at this point, Mr. Stassen did not mention the possibility of envisaging eventual elimination of nuclear weapons).

5. As a first step towards implementing the Eisenhower proposal, if the Russians showed interest, Stassen said that they were thinking of suggesting the establishment of a Five-Power (the Sub-Committee members) "Technical Exchange Panel". This "Panel" would study the techniques of control and inspection, would make visits to the territory of the five members to test and study on the spot various techniques of inspection. For example, the "Panel" might pick out a particular port or air centre and study it both on the ground and by air photography in order to work out together satisfactory processes of inspection which might then be embodied in a general programme of inspection. He thought that if the Russians showed interest, the "Technical Exchange Panel" idea might be a good way to study and test their real intentions.

6. Regarding the extension of the Eisenhower proposal to countries other than the United States and the USSR, Stassen said that certainly other countries must eventually be involved but that the President's proposal was to try to reach agreement initially as between the United States and the USSR, and he stressed that the President had referred only to American and Soviet territory in his first statement. He thought that unless and until there was a favourable Soviet reaction to this initial proposal, it was not necessary to speak of extending the proposal to other countries.

7. Stassen thought the probable Soviet reaction initially would be to say that they were still studying the proposal and he added that it was not the United States view that Bulganin had reversed himself overnight on the President's proposal but rather that he had been incorrectly interpreted by the press and had then made his position clearer.

8. On the treatment of disarmament in the Assembly, he suggested that it might be possible to have a resolution passed which would call on the United States and the USSR to make progress together towards realization of the Mutual Inspection Programme proposed by Eisenhower at Geneva.

9. I mentioned the Faure proposal and indicated in very general terms our initial reaction and Stassen agreed that until we had developed an inspection system that would make some disarmament possible, it was premature to consider the disposition of the funds saved by disarming. He suggested that the United States might indicate in general terms that they were already providing a good deal of assistance to under-developed countries and would no doubt be able to provide more if some disarmament could eventually be achieved.

10. On the subject of the privacy of the Sub-Committee meetings, Stassen indicated that they would prefer the Geneva Summit Meeting system of private meetings followed by individual press briefings at the discretion of each delegation. He said that the press was certain to be writing about the meetings and it might be easier to keep them on the right track this way. I intimated that at least for the present I would prefer to try to keep the meetings completely private.

11. On the programme of Sub-Committee meetings, Stassen suggested meetings every afternoon next week from Monday to Thursday, inclusive and meetings in the afternoons from Tuesday to Friday in the next week. I said that this would be satisfactory to us.

[PAUL] MARTIN

61.

DEA/50271-A-40

*Le représentant permanent auprès des Nations Unies
au secrétaire d'État aux Affaires extérieures*
*Permanent Representative to United Nations
to Secretary of State for External Affairs*

TELEGRAM 460

New York, August 26, 1955

SECRET. IMPORTANT.

Repeat London No. 21; Washington No. 174.

DISARMAMENT

Following from Mr. Martin.

We (MacKay, Crowe, Likeness and I) had a talk with Nutting this afternoon on the United Kingdom approach to the Sub-Committee meetings.

2. Nutting was disturbed, as I had been, about Stassen's intention to relegate earlier Western proposals to a reserve and inactive status. Nutting thought this dangerous from the point of view of United Kingdom public opinion which had been to some extent kept out of the "ban the bomb" campaign by the very fact that prohibition of atomic weapons, given adequate safeguards, was an essential part of United Kingdom policy on disarmament. He had therefore suggested to Stassen that he would prefer to take the earlier Western proposals as given but not to take the initiative in reaffirming them. If cornered by the Soviet representative as to whether earlier proposals still stood, he thought we could refer to the doubt expressed in the Soviet May 10 proposal on the feasibility of control of atomic prohibition and say that, since control and inspection was basic to our proposal on prohibition, Soviet reservations on the feasibility of such control necessarily affected our thinking about our earlier proposals. (Stassen however spoke to us after he had seen Nutting and has apparently not changed his mind on this point). Nutting was worried about a possible split between Moch and Stassen on the status of the Four Power proposal of March 8. Moch's own inclination was to table his reaffirmation and elaboration of the Anglo-French plan (paper B of Paris despatch No. 1533 of August 19†) and he wanted United Kingdom co-sponsorship. Nutting thought he might have dissuaded Moch from tabling the first part of this paper which reiterates the Anglo-French plan, but he thought Moch would still go ahead with tabling the second part of the paper which sets forth detailed control machinery and organization.⁹⁴

3. Nutting's inclination was to try to concentrate the discussion on control and he thought this would be facilitated if Moch did not table a new version of the Anglo-French plan since this might lead the Russians to elaboration of their May 10 proposals and help them to avoid facing squarely the question of control. Nutting indicated that he would probably take an early opportunity to query the Soviet Delegation on the control parts of their May 10 proposal.

⁹⁴ Pour le texte des deux documents de travail présentés par la France, voir *Documents relatifs au désarmement 1954-1959*, pp. 57 à 62.

For the text of the two working papers submitted by France see *Documents on Disarmament 1945-1959*, Volume 1, pp. 503-509.

4. I remarked on the impact on public opinion in North America of the Eisenhower proposal and indicated that I thought it would be unfortunate if we gave the impression that we were only going through a propaganda exercise without serious hope of progress. Nutting felt that at this stage it was difficult to see how real progress could be made because of the lack of coordination among the Western Governments concerned and he stressed that there had to be a great deal more close thinking and coordination before the Western Governments could be ready to proceed to really close-knit debate and serious negotiation with the USSR. He thought that at the moment there was a real opportunity for the Russians to try to split the Western camp and he reiterated his fear as to the divergence between the United States and French positions. He therefore hoped that the Sub-Committee could wind up its present session in two or three weeks, give the Disarmament Commission time for a short session before the Geneva meeting of Foreign Ministers, allow the Assembly time for a rather perfunctory debate after the Geneva meeting leading to a renewal of the Sub-Committee's mandate to seek solutions in private. He thought "disarmament" might come to the Assembly late in the session when a long debate would not be feasible.

5. In line with the directive from the Geneva Summit Meeting, he would be introducing the Eden plan, but he would make it clear that it was neither a plan for European Security nor a Disarmament plan. It was something which would come before the achievement either of European security or disarmament and would be essentially a practice exercise to build up our knowledge of possible disarmament and inspection techniques.

6. Nutting then said that the United Kingdom regarded the Eisenhower Geneva plan as good in itself, but as by no means the whole answer to our problem. It was a useful addition to the whole complex of disarmament propositions, and the United Kingdom Delegation would certainly express support for it, at least in general terms. He expressed some doubts about the technical exchange panel suggested by Stassen, and thought that it would be very difficult to decide what places might be made available to the panel for its on-the-spot tests.

7. He thought the fact that Sobolev was to head the Soviet Delegation meant that, at least for the time being, the Russians were resting their case on their May 10 proposals.

8. Regarding the privacy of the agreement, Nutting agreed with me that we should try to stick to the Committee's practice of meeting in private and not holding press conferences except to correct misrepresentations.

9. In general, I would say that Nutting was worried about lack of coordination with the United States, and was anxious to get through this session without a serious division in the Western camp in order to gain time for achieving a coordinated Western position.

10. I was rather disturbed by the apparent discrepancy between the United Kingdom intention expressed in telegram No. 1191 of August 13⁹⁵ to "try to come to grips with the central problem" and Nutting's view that meetings were only a skirmish and not intended to produce anything serious. He compared his position to a cyclist in a gymnasium: peddling furiously and not going anywhere.

⁹⁵ Non retrouvé./Not located.

62.

DEA/50271-A-40

*Le représentant permanent auprès des Nations Unies
au secrétaire d'État aux Affaires extérieures*

*Permanent Representative to United Nations
to Secretary of State for External Affairs*

TELEGRAM 468

New York, August 29, 1955

IMPORTANT.

Repeat Washington No. 178; London No. 25.

DISARMAMENT SUB-COMMITTEE

At the Sub-Committee meeting today, the five representatives made opening statements which they had agreed in advance would be released to the press at 4:00 p.m.

2. Moch spoke first. He dealt first with the difficulties and prospects arising from the earlier Sub-Committee meetings. He suggested that the French Delegation would shortly propose a compromise between the completely automatic transition from one stage of disarmament to another which characterizes the Soviet May 10 proposal and the excessive authority of the control apparatus which has hitherto seemed the only alternative to such automatic transition. He also referred to the problem of accounting for past production of atomic materials which, year by year, has become greater and made the question of adequate control more and more difficult. He cited both the Soviet proposals of May 10 and statements of President Eisenhower on the possibilities of evading any conceivable kind of inspection of atomic prohibition. He warned however that we must not yet abandon all thought of the possibility of effective verification and therefore of the possibility of eliminating weapons of mass destruction. It was necessary to continue the study of techniques of control and the French Delegation would have some modest suggestions to make on this score. The balance of Moch's opening statement was devoted to a re-statement of the Faure proposals.

3. Lodge then made the opening United States statement after which he turned over the United States Delegation to Stassen and stepped outside to face the television cameras. Lodge re-stated and elaborated in some respects the Eisenhower Geneva plan and in addition tabled as a Sub-Committee Document the President's statement on disarmament at Geneva on July 21. Lodge made it quite clear that the President's proposal, at least in the first instance, concerns only the United States and the USSR and the territory of these two countries. Among the further details given was a definition of "blueprint". It includes "first the identification, strength, kind, structure and disposition of personnel, units and equipment of all major land, sea and air forces including organized reserve and para-military; second a complete list of military plans, facilities and installations with their locations". Each country would permit "unrestricted but monitored air reconnaissance by the other country". Each inspecting country would utilize its own aircraft and related equipment, but personnel of the country being inspected would be aboard each reconnaissance aircraft during all over-flights. Lodge said that further details of the plan would be presented later.

4. Nutting referred to the narrowing of differences which had taken place during the last London session, mentioning particularly the Soviet proposals of May 10 in this connection. He then went on however to question in some detail the adequacy of the control provisions of the Soviet May 10 proposals, citing the Soviet admission in their May 10 proposal of the

possibility of evading atomic controls. He then listed a number of the "objects of control" which in the United Kingdom view must be accessible to the control authorities and specified methods of inspection and rights which must be guaranteed to the control organization. Finally, he outlined briefly the Eden proposal made in Geneva and stated that he would be tabling the initial exposition of this plan made by Eden at Geneva together with the text of the proposal itself.

5. Sobolev spoke next and re-stated without significant alteration the part of the Soviet proposals of May 10 dealing specifically with the conclusion of an international convention on the reduction of armaments and the prohibition of atomic weapons. He also worked in the slight additions to these proposals made by Bulganin at Geneva. He did not repeat the first part of the Soviet proposals of May 10 concerning general political settlements, although he did state that the greatest obstacle to disarmament at the present time and the establishment of effective international control was the absence of the necessary confidence in relations between states. His reference to foreign bases was less specific than the relevant section in the first part of the Soviet May 10 proposals. He said today that the Soviet proposals envisage that states having military bases on the territories of other states will accept an obligation to liquidate part of these bases during the first period of the Soviet plan.

6. In listing points on which the Soviet May 10 proposals coincided with Western proposals, Sobolev said that the USSR had accepted the proposal of the *United States*, the United Kingdom and France to prohibit atomic weapons after 75 percent of conventional reductions. The United Kingdom and France will of course be the sponsors of this proposal.

7. In general, Sobolev stressed that the long interval since the tabling of the May 10 proposals had been designed to allow other governments time to study them. These proposals were a concession to Western views. It was now up to the Western Delegations to make their reply. He mentioned in conclusion the recent Soviet decision to reduce armed forces by 640,000 as a sign that his government was matching its words with deeds.

8. Mr. Martin then made a statement along the lines of the text sent to you this morning.⁹⁶ The final text of the statement, which incorporated the two suggestions for revision telephoned from the Department is being forwarded by bag.

63.

DEA/50271-A-40

*Le représentant permanent auprès des Nations Unies
au secrétaire d'État aux Affaires extérieures*

*Permanent Representative to United Nations
to Secretary of State for External Affairs*

TELEGRAM 475

New York, August 31, 1955

SECRET. IMMEDIATE.

Reference: Our telegram No. 470 of August 30.†
Repeat Washington No. 181; Paris No. 2; London No. 28.

⁹⁶ Voir/See United Kingdom, Parliamentary Papers, Cmd. 9636, *Report on the Proceedings of the Subcommittee of the United Nations Disarmament Commission 1955*, London: Her Majesty's Stationery Office, 1955, pp. 89-91.

DISARMAMENT

Following from Martin.

Just before yesterday afternoon's meeting, Stassen informed Sobolev privately that he proposed to brief the press after today's meeting, particularly regarding the United States document sent to you in our telegram under reference.⁹⁷ This document was tabled at today's meeting in a version identical to that sent to you except for the elimination of paragraph 5.

2. At the beginning of the meeting Stassen referred to his intention to have his Delegation brief the press and Sobolev commented that it was of course understood that other Delegations would necessarily be free to do the same. Press briefings at the discretion of each Delegation have therefore become a recognized part of the sub-Committee procedure in spite of the reservations which had been privately expressed by the other three Western Delegations to Stassen.

3. Nutting then spoke briefly to the effect that it was reasonable that we should now address ourselves to the Soviet May 10 proposals and he directed his comments mainly to the inadequacy of the control aspects of the Soviet May 10 plan.

4. Sobolev intervened to say that the USSR while preferring its own proposals does not decline to consider any other proposals including the Eisenhower plan which the Soviet Delegation will study carefully. However, he would be grateful if other Delegations would give their reaction to the Soviet proposals of May 10 as a whole and not limit themselves to the control arrangements which are only part of the Soviet proposals.

5. Moch agreed that we should first consider the Soviet May 10 proposals and said that he would be analyzing particularly three subjects in this connection:

(1) the automatic transition from stage to stage of the Soviet plan (2) the rights, powers and privileges of the control organization (3) the administrative organization of the control apparatus. Today he devoted himself only to the first of these points and suggested a compromise between automatic transition on a certain date from stage one to stage two of the Soviet plan on the one hand and on the other the excessive authority of the control organ in deciding whether a transition to a new stage could begin. He suggested a Permanent Control Board which would be established by the General Assembly and should be able to defer the transition to a new stage up to a maximum of nine months if there was reason to believe either that the earlier stage had not been completed or that the control agency was not in a position to handle its responsibilities in the next stage. If after nine months the board was still not unanimous on the possibility of going on to a new stage, the question would have to be referred to the Security Council.

6. In a brief intervention I referred to Sobolev's request that we treat the Soviet proposals as a whole and I suggested that Western representatives had already shown themselves ready to do this, but that the Soviet proposals, like the Eisenhower proposals or other plans offered in Geneva, could only be considered fruitfully if their authors were prepared to provide a good deal of supplementary information and were prepared to answer our questions. The United States, for example, intimated that they would be providing further details on the Eisenhower proposal. If we were to make progress it was essential for the Soviet Delegation to clarify its views, particularly with respect to control since that was the

⁹⁷ Il s'agissait du plan général des États-Unis pour la mise en oeuvre des propositions d'Eisenhower concernant les inspections aériennes. Voir *Documents relatifs au désarmement 1954-1959*, pp. 55 à 57.

The document was the United States Outline Plan for the implementation of Eisenhower's aerial inspection proposals. See *Documents on Disarmament 1945-1959*, Volume 1, pp. 501-503.

part of the Soviet proposals as a whole which seemed to us to be the most in need of clarification. (In fact, the Soviet Delegate is no doubt aware of the United States' views on the impracticability of prohibition of atomic weapons and the request for consideration of the Soviet proposals as a whole is probably designed to get the United States to put its present views on prohibition on the record and at the same time to put other Delegations on the spot with respect to prohibition).

7. Stassen's first intervention in the debate was devoted to the virtual impossibility of effective control arrangements for prohibiting atomic weapons and he read into the record the Soviet admission of this contained in their May 10 document. He said that these considerations, apparently accepted by the USSR, had led the United States to seek another solution, namely the President's plan, and he then tabled Document DC/SC/1/31, the text of which, subject to the correction mentioned above, is given in our telegram under reference.

8. Moch remarked that the United States plan for implementing the President's proposal seemed to be a bilateral arrangement between the United States and the USSR, but he wondered whether it would not necessarily involve other countries and whether therefore it would not be necessary to transform it into a multilateral arrangement. He had raised a similar point at this morning's four Delegation meeting and Stassen, I think misunderstanding to some extent the point Moch was making, attempted to meet him by simply deleting from the United States paper paragraph 5 of the version given in our telegram under reference. Moch's point, I believe, was that it was not enough for the United States and the USSR to seek permission from other countries to fly over their territory (perhaps to examine United States and USSR bases), but that if other countries were involved at all they must come in as full participating members of the scheme with the same rights to inspect and be inspected as the two great nuclear powers. In the sub-Committee Stassen replied to Moch to the effect that the President's scheme would be a great advance if it could be instituted as between the United States and the USSR alone, but that eventually other countries might come into the scheme if they wished to.

9. Sobolev remarked that the new United States paper would be communicated to the Soviet Government and studied very carefully.

10. At this morning's four-power meeting, in addition to the discussion reported in our telegram under reference, we agreed on the general line taken by Western representatives in the sub-Committee today, namely the consideration first of the Soviet May 10 proposals, particularly its control aspects.

11. See my immediately following telegram.†

64.

DEA/50271-A-40

*Le représentant permanent auprès des Nations Unies
au secrétaire d'État aux Affaires extérieures*

*Permanent Representative to United Nations
to Secretary of State for External Affairs*

TELEGRAM 480

New York, August 31, 1955

SECRET. IMPORTANT.

Reference: Our telegram No. 476 of August 31.†
Repeat Washington No. 184; London No. 30; Paris No. 4.

DISARMAMENT

The United States Delegation today gave us the text of a draft resolution on disarmament which might be submitted to this session of the Assembly. As we have reported, Stassen had already intimated earlier that the United States was thinking in terms of an Assembly resolution urging the United States and the USSR to get on with implementing the President's Geneva proposal. We should appreciate your early comments on this suggestion and on the United States draft.

2. The United States Delegation said that this draft was being given to the other Western Delegations but not to the Soviet Delegation and it would not be advanced officially by the United States or shown to the Russians without further consultation among the four.

3. Following is the text of the United States draft resolution. Text Begins:

The General Assembly (Security Council) *considering*, the report of the Disarmament Commission on the results of the efforts of its sub-Committee of five to reach an agreement, as contemplated in the General Assembly Resolution 715 (VIII) of 28 November 1953, on the regulation, limitation and balanced reduction of all armed forces and all armaments, (including provisions for the establishment of an effective international system of inspection and control. *Noting*, in particular the proposal of the President of the United States of America that arrangements be made between the United States of America and the USSR, the two countries which have nuclear weapons in quantity, for the interchange of a complete blueprint of information regarding their respective military establishments and for the reciprocal provision of ample facilities for aerial reconnaissance over their respective territories. *Considering*, the further development of this proposal in the meetings of the sub-Committee of the Disarmament Commission at New York, commencing August 29, 1955.

1. *Decides* that the early execution of this plan would contribute to the reduction of international tensions, provide a safeguard against major surprise attack, lessen the fear of war, and assist in the development of a comprehensive international agreement for the regulation, limitation and balanced reduction of all armed forces and all armaments and

2. *Recommends*

A. That the United States of America and USSR proceed to put the proposal of the President of the United States into effect at the earliest opportunity;

B. That other states decide at an early date the contribution they may make to the execution of this plan and consider the extension of it on a reciprocal and appropriate basis to their own establishments and territories;

C. That the powers principally involved continue their efforts, as contemplated in resolution 715 (VIII) of 28 November 1953 to reach agreement, giving priority attention to the subject of inspection, reporting and control.

65.

DEA/50271-A-40

*Le représentant permanent auprès des Nations Unies
au secrétaire d'État aux Affaires extérieures*

*Permanent Representative to United Nations
to Secretary of State for External Affairs*

TELEGRAM 486

New York, September 1, 1955

SECRET. IMPORTANT.

Repeat London No. 32; Washington No. 187; Paris No. 5.

DISARMAMENT

At yesterday's meeting Moch continued his analysis of the Soviet May 10 control proposals. He thought we might agree that control in the first stage need not be as strict as in the second but added that there must be some control on the actual reductions and not merely provision for some advance warning of surprise attack as in the Soviet plan. We might agree for example that the control in the first stage need not have access to industrial establishments of all types but it must have access at least to military establishments and depots. Regarding the second stage he provided a long list of establishments (similar to those Nutting has mentioned) which would need to be included specifically among the "objects of control" mentioned in the Soviet proposals.

2. Sobolev then intervened to suggest that it was not helpful at this stage to concentrate on the points of disagreement between the Soviet and Western positions. He thought it would be much more helpful to go through the Soviet proposals of May 10 and establish at once which points were now agreed among the five. He ended with an appeal to his colleagues to let him know what parts of the Soviet proposal of May 10 were acceptable to them. (Although so far as we know Stassen has not yet told the Russians that he regards all previous proposals as having an inactive status, the present United States reservations on the earlier western plan now partly incorporated in the Soviet plan of May 10 must be fairly clear to the Soviet Delegation. Sobolev will probably endeavour to get on the record a United States admission that they have abandoned the goal of prohibition of nuclear weapons and to embarrass the rest of us on the subject of our present attitude to this long standing objective).

3. Mr. Martin suggested to Sobolev that the points on which we were in agreement, at least to some extent, could be deduced from the extent to which the May 10 Soviet proposals were based on positions first taken by the Western Delegation. He went on to analyse the short-comings of the Soviet control proposals with respect to the timing of the positioning of the control organ before each stage begins, the extent of the rights and powers of the control organ provided in each of the two Soviet stages and the power of the control organ to take interim measures in the event of violations.

4. The most interesting question introduced by Stassen in his remarks was whether Bulganin's statement on disarmament of July 21 at Geneva could be taken as, in effect, superseding the May 10 proposals particularly with respect to the first part of the May 10 proposals on political prerequisites for disarmament which were not mentioned by Bulganin at Geneva. Sobolev did not comment on this.

5. At the morning meeting of the Four Delegations Stassen reported that his Delegation had held a press conference outlining the United States documents submitted at the sub-

Committee meeting on August 30 but had not released the actual document. The other three representatives again indicated their view that continuous publicity might jeopardize serious negotiation particularly if it amounted to a blow by blow description of the meetings and was not limited to reports of major proposals or major results. Stassen said he was aware that there was a serious difference of approach between himself and his colleagues on this subject but he could only repeat his conviction that a steady flow of constructive publicity would affect Soviet policy in a way favourable to agreement with western proposals. We were later informed that the United States Delegation proposed to hold a briefing for United States press representatives only after yesterday's sub-Committee meeting. The information provided would not be for attribution to the United States Delegation but only to "informed sources". The United States Information Officer thought that this might become a regular practice.

6. Mr. Martin inquired at the morning Four Delegation meeting whether there had been or would be any bilateral negotiations between the United States and the USSR on the Eisenhower plan since, as presented by the United States, it was at least initially limited to the two countries. Stassen answered that there had not been such negotiations because the United States wishes the negotiations on the Eisenhower plan to be under the aegis of the United Nations.

66.

DEA/50271-A-40

*Le représentant permanent auprès des Nations Unies
au secrétaire d'État aux Affaires extérieures*

*Permanent Representative to United Nations
to Secretary of State for External Affairs*

TELEGRAM 494

New York, September 1, 1955

SECRET. IMPORTANT.

Reference: Our telegram No. 486 of September 1.
Repeat Washington No. 190; Paris No. 6; London No. 35.

DISARMAMENT

Sobolev asked to speak first at today's meeting of the sub-Committee and said that he had noted with satisfaction that other representatives had agreed that the Soviet proposals of May 10 widened the area of agreement in the sub-Committee. Following the line that he has taken already, he said that it would be helpful to know exactly what points were now agreed and to this end he addressed a number of questions to the western representatives. These were:

(1) Do all five members of the sub-Committee agree on levels of forces of one to one and a half million for the United States, the USSR and China; 650,000 for France and the United Kingdom; and a ceiling of between 150,000 and 200,000 for all other countries.

(2) Is there five-power agreement on the absolute prohibition of use of nuclear weapons after seventy-five percent of conventional reductions, the elimination of the nuclear weapons themselves during the final twenty-five percent of conventional reductions, followed by the diversion of all nuclear materials to peaceful use.

(3) Do we all agree that simultaneously with the beginning of the first fifty percent of conventional reductions states should assume a solemn obligation not to use nuclear weap-

ons except in defence against aggression when a decision to that effect is taken by the Security Council.

(4) Are the five countries all prepared, as one of the first measures of a disarmament programme, to discontinue tests of atomic and hydrogen weapons.

2. He thought that a considerable rapprochement on these points had occurred in London if not an actual identity of Soviet and Western positions and it would be helpful if Western representatives could reaffirm this.

3. He then answered the question Stassen has raised the day before as to whether Bulganin's Geneva proposals superseded the May 10 proposals. His answer was to the effect that nothing said by the Soviet Premier in Geneva was in any way inconsistent with any part of the Soviet proposals submitted on May 10 and that the Soviet Government still supported its May 10 proposals in their entirety.

4. By this time, Stassen had passed notes to his three Western colleagues expressing the hope that we would not answer Sobolev on the spot but would have a Western consultation before doing so. He himself asked Sobolev whether the Soviet delegation still stood by the view expressed in its May 10 proposals (pages 17 and 18, DC/SC.L/26REV.29) to the effect that reliable international control and inspection of the prohibition of atomic weapons are not feasible. Sobolev replied that these paragraphs of the Soviet May 10 proposal remained fully in force.

5. Moch then spoke dealing first with the detailed organization of a control body. His statement followed the lines of the second part of the French memorandum enclosed with Paris despatch No. 1533 of August 19.†

6. In reply to Sobolev, Moch said that the questions would be carefully considered and a detailed reply given later but that he could say at once that to the extent the Soviet May 10 proposals reproduced ideas originally found in proposals sponsored or co-sponsored by France, such ideas as embodied in the Soviet proposals were still accepted by France. However, he added that all proposals put forward by the French delegation had been explicitly dependent on an adequate system of control and inspection and that earlier proposals could not be taken independently of their control prerequisites.

7. Nutting replied to Sobolev to the same effect adding that Sobolev's express reaffirmation of the Soviet belief that adequate control was not possible must necessarily be taken into account in considering the status of earlier proposals.

8. Mr. Martin suggested that we should try to avoid assuming that only one proposal could be acceptable and the others must be rejected and that we should try instead to concentrate on the possibilities of taking desirable elements from all proposals to construct a generally acceptable programme. He also inquired whether the control system elaborated by Moch envisaged units specifically charged with providing early warning against attack (as in part of the Soviet proposals and as in the Eisenhower plan) in addition to the control units concerned with inspecting the actual measures of disarmament. Moch replied that the French plan was intended to make provision for both of these aspects of inspection and control.

9. Immediately after the meeting, Sobolev gave a short informal interview to press representatives who were clustered outside the door. He is understood to have given them more or less the text of the questions he put to the Western representatives and to have said that the Western representatives had not yet given him any answers to these simple, straightforward inquiries.

10. On the subject of publicity, the United States delegation continued last night to maintain the flow of information to which Stassen is devoted. This morning's papers, as you

will have noted, contained a fairly detailed description of yesterday's meeting obtained both from a United States briefing of American correspondents and from a television appearance by Stassen.

R.A. MACKAY

67.

DEA/50271-A-40

*Le secrétaire d'État aux Affaires extérieures
au représentant permanent auprès des Nations Unies*

*Secretary of State for External Affairs
to Permanent Representative to United Nations*

TELEGRAM 360

Ottawa, September 2, 1955

SECRET. IMPORTANT.

Reference: Your telegram No. 476 of August 31, 1955.†
Repeat Washington No. 1529; Paris No. 526; London No. 1416.

DISARMAMENT

We find it difficult to express firm views on the United States draft resolution before we have a better idea of the likely results of the present meetings, both from the point of view of the Eisenhower proposals and of the work of the Sub-Committee as a whole.

2. The present wording of the U.S. draft seems to assume that the Russians not only will have accepted the Eisenhower plan in principle but will also be ready "to put (it) into effect" by the time the Assembly considers the disarmament item. This to our mind presupposes that a good deal of ground will by then have been covered, since the USSR, and for that matter the United States, is not likely to accept or implement a plan of such import without agreement having been reached on a number of complex questions raised by the plan. If indeed Russian co-operation goes that far, the move suggested by the United States might conceivably be justified. There is of course the possibility that the Russians could be pushed to the wall and the U.S. could score a propaganda victory by showing its willingness to open up its frontiers for disarmament purposes while its major opponent would not be ready to do so. We do not believe, however, that this is what the United States has in mind in the light of the Big Four exercise in Geneva.

3. If the Russian reaction to the new American proposals before the Assembly meets can be summed up in "a willingness to study the plan very carefully", and in any case unless their attitude towards the proposals clearly indicates that they really have the intention of implementing the plan, we think the wording of the resolution should be much more flexible if unanimous agreement in the Assembly is sought. It might recommend that the two powers give earnest consideration to the implementation of the plan at the earliest opportunity (on the assumption that sufficient headway would be made before the Assembly debate). If not, the resolution might simply recommend as a first step that the two powers should get together to undertake a detailed study of the proposals with a view to implementing them as soon as possible. In either case we think the word "considers" should preferably be substituted for the word "decides" in operative paragraph one.

4. We do not consider that any useful purpose would be served if the Russians were manoeuvred into a position where they would feel compelled to vote for the present text, although they would not be ready to implement it.

5. Bearing in mind the Soviet proposals of May 10 and of July 21 and also the Faure plan, we assume that the Americans are not proceeding on the assumption that their proposal will necessarily be the only one singled out by the Assembly. Irrespective of the attitude of the Russians, who may well have new proposals of their own by the time the Assembly meets, it is altogether conceivable that one or more of the underdeveloped countries will seize the opportunity offered to them by the Faure plan, not to mention the French Prime Minister's apparent intentions on this score, (Paris telegram No. 413 of August 26†).

6. The singling out of two of the five major powers mentioned in the Charter raises a political issue on which the United Kingdom and France may have particular views. For our part, we should like to have some indication of the kind of contribution other states will be called upon to make "at an early date" before sponsoring the United States text.

7. In view of the wide importance of this matter, we are wondering whether the two major powers should not be appropriately called upon in one way or another to report on the progress made either to the Disarmament Commission or at least to the other powers principally involved.

68.

DEA/50271-A-40

*Le représentant permanent auprès des Nations Unies
au secrétaire d'État aux Affaires extérieures*

*Permanent Representative to United Nations
to Secretary of State for External Affairs*

TELEGRAM 498

New York, September 6, 1955

SECRET. IMMEDIATE.

Repeat Washington No. 191; London No. 36; Paris No. 7.

DISARMAMENT

Following from Martin, Begins: At the meeting of the Four Western Delegations this morning we discussed the answers to be made to the questions asked by Sobolev at the last meeting, as well as the question of the United States draft General Assembly resolution.

2. On the first subject Stassen indicated his intention to state fairly bluntly that the United States regarded all these earlier proposals as now having the "inactive and reserve status" which he has already mentioned to us. The statement would, of course, be padded with reference to the need for control and to the desirability of focusing on the post-Geneva situation, but Stassen's explanation seemed to make it quite clear that what he proposed to do would leave the Russians in a position to accuse the United States of having abandoned the objective of nuclear prohibition and even the objective of conventional disarmament. In reply to questions, Stassen insisted that the Eisenhower plan was only a first step and that it might lead eventually to measures of disarmament, but he remained silent on the possibility of retaining any vestige of the objective of prohibition of nuclear weapons unless there should be some new scientific development which would enable us to guarantee atomic prohibition.

3. Moch, Nutting and I all queried the wisdom of telling the Russians in the sub-Committee that earlier proposals would be, in effect, abandoned. I suggested that we had reached a crucial point in our work which might mark a sharp departure from the more hopeful atmosphere since Geneva and also a departure from the Western solidarity on disarmament proposals which we have hitherto been able to maintain.

4. Nutting suggested answers to Sobolev along the following lines, and Moch agreed in general with Nutting's outline:

(1) Regarding levels of forces for countries other than the Big Five, Nutting would say that so many countries were involved with so many special local problems that it was not feasible for the sub-Committee to agree on any exact figure for all these countries. The sub-Committee could only agree, as in the Anglo-French proposals, that other countries should be permitted levels "substantially lower" than the Big Five.

(2) The United Kingdom could not agree that the Security Council, with its veto, could prohibit the use of certain weapons before a comprehensive disarmament programme was in force. This would dispose of the question on the preliminary prohibition of atomic weapons.

(3) Regarding the ban on tests, the Soviet Delegation must give more details on the kind of international control that would be in effect when the ban was imposed. It apparently was to come early in the disarmament programme at a stage when the Soviet control proposals were quite inadequate.

(4) On the really serious and difficult questions of the levels of forces and prohibition after 75 percent of conventional reductions, Nutting would stress the prerequisite written into the Anglo-French proposals that there be adequate and effective control before these proposals could be put into effect. The United Kingdom Government was still willing to go ahead with these measures if there could be effective control, but could not go ahead with them unless there was effective control. The Soviet position seemed to be that effective control was impossible but that we must go ahead with these measures anyway. Thus, Nutting thought the questions could be turned back to Sobolev on the familiar issue of inadequate control.

5. As indicated, Moch would agree with this approach and he urged Stassen to reconsider his intention to tell the sub-Committee that earlier proposals were being "put in the frig". He was sure that European opinion would react very badly to the abandonment of the objective of atomic prohibition. He suggested that we must surely retain at least some prohibition on their manufacture. Otherwise stock piles would expand, more and more countries would acquire atomic weapons and the world situation would grow steadily more menacing.

6. Stassen replied to all this by saying in effect that there was no point in continuing discussion on an unreal and impractical basis. Prohibition would not be scientifically supported and we must therefore try to take another step, the Eisenhower Plan, which was practical and which might lead on to some degree of disarmament.

7. Moch and I had referred to a report in today's *New York Times* of a speech by United States Air Secretary Quarles which seemed to indicate that the United States had abandoned all interest in disarmament as such and was concerned only with an early warning system. Stassen said that this report did not reflect United States Government policy and that they were still very much interested in disarmament as something which might flow from the successful implementation of the Eisenhower Plan. However, he still remained silent on any possibility of maintaining atomic prohibition as an eventual objective given present scientific knowledge. I mentioned the possibility of basing an inspection

system on control of delivery systems and Stassen agreed that this was an important part of their thinking, but he did not commit himself on the possibility that any degree of atomic prohibition might be undertaken on the basis of inspection and control of delivery systems.

8. Regarding the United States draft resolution (your telegram No. 360 of September 2), Stassen made it quite clear that their desire is to have this resolution passed by the General Assembly whether or not there has been any indication of possible Soviet willingness to go along with the Eisenhower Plan. He feels that if the resolution were passed by the General Assembly with a sizeable majority, it would be a means of putting the pressure of world opinion on the USSR and would make it more likely that they would agree to the Eisenhower proposals. My own reaction is that if this resolution is rammed through in spite of Soviet opposition, it will make Soviet participation in any scheme similar to the Eisenhower proposal almost impossible. Stassen's idea is that the sub-Committee should in some way adopt this resolution which he apparently intends to table in the sub-Committee this week and that the Assembly should receive it via the Disarmament Commission as a proposal supported by a majority in the sub-Committee. He said that he would like to have it unanimously recommended by the sub-Committee, but otherwise he would hope for a four to one vote in its favour. I said that I hoped very much that he would not table this resolution in the sub-Committee until Western Governments had had further opportunity to study it and until we had had a full exchange of views on it amongst the Western Delegations. Nutting and Moch concurred and expressed their preference for an Assembly resolution of a much more general nature on which we could hope to have Soviet support and one which would not single out any of the proposals made in the sub-Committee at the expense of other proposals, but would in general instruct the sub-Committee to continue its efforts on the basis of the various proposals before it.

9. I should appreciate any suggestions you have for further points on the subject of control which we might make in the sub-Committee including particularly inspection of delivery systems. I should also be grateful for any comments you may have on the elaborations on the Anglo-French Plan which Moch has produced. Finally, I should be grateful for suggestions as soon as possible on the answers the Canadian Delegation might make to Sobolev's question because I feel that some answer from each Western Delegation will have to be made this week and Nutting is likely to give his reply today.

69.

DEA/50271-A-40

*Le secrétaire d'État aux Affaires extérieures
au représentant permanent auprès des Nations Unies*

*Secretary of State for External Affairs
to Permanent Representative to United Nations*

TELEGRAM 371

Ottawa, September 6, 1955

SECRET

Reference: Your telegram No. 494 of September 1, 1955.

Repeat Washington No. 1537; London No. 1429; Paris No. 533.

DISARMAMENT

Canada has co-sponsored the Western proposals of March 8 which we still regard as a sound basic programme towards reaching agreement on the disarmament problem.

2. As you know, we agreed last spring to co-sponsor the Anglo-French compromise on the timetable for the prohibition of nuclear weapons but we have refrained from doing so, in order to prevent the United States delegation being isolated in the Western camp. At the time of writing we are not clear whether the military authorities ever committed themselves on the question of ceilings for armed forces. We shall let you know as soon as we know their exact position on this question. We cannot agree on the Russian proposal concerning the use of nuclear weapons in defence against aggression if a decision in this matter is subject to the vote of the permanent members of the Security Council. With regard to Sobolev's last question, we are reluctant to take a firm position until we know where the United States and the United Kingdom stand at this stage on this matter.

3. We are reluctant to suggest any specific course on how Sobolev's questions should be tackled before knowing more about the United States real intentions and also the tactics they have in mind. In the meantime, we look at the Eisenhower proposals which embody Soviet suggestions on inspection as a practical plan on which agreement might more easily be reached at this particular stage than on a larger programme such as the Western proposals of March 8. We believe that the United States would be justified in arguing that there is no inconsistency between their new proposals and those which they have sponsored on March 8. Lodge may actually be regarded as having taken this line in his opening statement.

4. Moch's reply, as outlined in paragraph six of your telegram, makes sense although we are not clear whether the Western plan of March 8 as distinct from the Anglo-French compromise was made "explicitly dependent" on a satisfactory agreement on control. On the assumption that the March 8 proposals are to remain valid, Nutting and Stassen's reference to the possibility of evading control, mentioned in the Soviet proposals of May 10, appear of dubious value, bearing in mind the doubts expressed on this score by President Eisenhower in Geneva.

5. We consider that the views expressed in our telegram No. 338 (paragraph 10) and 311 (paragraph 5) remain valid. You should express our genuine concern on this score to the United States and the United Kingdom delegations.

70. DEA/50271-A-40

*Le représentant permanent auprès des Nations Unies
au secrétaire d'État aux Affaires extérieures*

*Permanent Representative to United Nations
to Secretary of State for External Affairs*

TELEGRAM 503

New York, September 7, 1955

SECRET. MOST IMMEDIATE.

Reference: Your telegram No. 371 of [September 6].

DISARMAMENT

Following from Martin.

Your telegram under reference indicates quite clearly the answer you suggest we give to Sobolev's third question (as listed in my telegram No. 494 of September 1). This is the question on the obligation not to use nuclear weapons except in defence against aggression

when a decision to that effect is taken by the Security Council. I agree that it is easy to dispose of this question by reference to the veto.

2. I am not at all clear however as to your suggestions for answering the other more difficult questions.

(1) On the first question regarding levels of armed forces, I thought that we had already accepted in principle the proposed levels of one to one and a half million for the United States, the USSR and China and 650,000 for France and the United Kingdom. In his answer yesterday, Nutting reaffirmed United Kingdom support for these levels and said that regarding levels for other countries, his government could only repeat the view that their levels should be considerably lower than the levels established for the five permanent members of the Security Council. He did not think that the sub-committee was the proper place to try to fix exact levels for all the other countries whose local needs and circumstances varied so widely. The original Anglo-French proposals of 1954 as well as the Soviet proposals of May 10 referred to a world disarmament conference. Nutting suggested that this was the place to discuss levels of forces for all the other countries. I would think that we might reply along similar lines. The proposed levels of forces for the great powers result in a rough parity between the total forces of major Communist and non-Communist states and Soviet acceptance of these levels was a major departure from their former position, maintained insistently over many years, that the only acceptable reduction in forces for the great powers was a flat one-third cut for each. Western delegations, including the Canadian, have made much in past talks of the unreasonableness of the Soviet one-third cut and I think it would be unfortunate if we could not now say quite specifically that we welcome the Soviet acceptance of the levels of forces proposed by the United Kingdom and France and that these levels remain acceptable to Canada.

(2) Much the most difficult question is the one regarding the prohibition of nuclear weapons. Canada it is true did not specifically accept the 75 percent compromise but we did co-sponsor the March 8 proposal which put prohibition at the end of 100 percent of the conventional reductions and I think we must first decide whether we are ready to reaffirm the principle of prohibition and the elimination of atomic weapons. If we still accept this in principle as a valid objective, the question whether the prohibition comes at the 75 percent point or at the 100 percent point of conventional reductions is an important point of detail on which we might be able to hedge for the time being. You have stressed in your telegrams (Nos. 338 and 311) that we should not openly abandon the goal of nuclear prohibition. Unfortunately the United States delegation has now done so. Stassen said yesterday that he now "placed a reservation" upon all pre-Geneva United States disarmament proposals. It is true that he made the proviso that this view could be changed if new scientific developments ever made possible adequate inspection of nuclear prohibition. Nevertheless the USSR will have little difficulty in representing Stassen's view yesterday [as] an open abandonment of the objective of the prohibition of nuclear weapons and I think it would be unfortunate if they could cite our reply to Sobolev's question as evidence that Canada had also abandoned this objective. (One of Stassen's State Department advisers implied to us yesterday that Stassen had put on record his virtual disavowal of all earlier proposals against the advice of the State Department). The United Kingdom and French answers to this question are, in effect, that their earlier proposals on prohibition still stand on the same terms as always, namely subject to the establishment of effective methods of inspection and control, and the French are perhaps less pessimistic than the United Kingdom on the question of the possibility of devising effective methods of control. Moch suggested at yesterday's private western meeting that we might at least salvage some degree of prohibi-

tion, for example some prohibitions of use of atomic weapons and perhaps prohibition of manufacture of further weapons.

I would suggest that we should answer Sobolev in terms similar to the United Kingdom and French answers. i.e. reaffirming prohibition and elimination of nuclear weapons as our objective, subject to Soviet agreement on adequate control and subject to the scientific and technical possibility of adequate control. It was in this context that Stassen and Nutting mentioned the Soviet doubts as expressed in the Soviet May 10 proposals on the feasibility of control (paragraph 4 of your telegram under reference). There is no inconsistency between United States and United Kingdom references to Soviet doubts on adequate control and Eisenhower doubts on the same score. Nutting and Stassen were saying in effect that the USSR in its own documents admits what Eisenhower has been saying, namely that adequate control is not scientifically and technically feasible. Therefore on this score, the USSR and President Eisenhower are in agreement, and therefore the USSR should not be surprised if proposals for prohibition of nuclear weapons are being reconsidered. The United Kingdom of course has reiterated support of its earlier proposals on nuclear prohibition, given the possibility of adequate control. The United States has now openly concluded that there is no foreseeable adequate control and consequently, in a rather heavy-handed fashion, has reserved its position on all earlier proposals on atomic prohibition. At today's 4-power meeting, I said that Canada had not yet given up the objective of prohibition of atomic weapons.

In paragraph 3 of your telegram under reference you say you need to know the United States' real intentions before answering Sobolev. It seems to me that by now United States intentions are quite clear. They are interested only in the Eisenhower plan, perhaps as a prelude and perhaps as an alternative to any kind of comprehensive disarmament programme. The most they are willing to say about disarmament is that it might follow after the Eisenhower plan had been in effect for some time and had reduced fears of attack. Even then they would have no thought of any degree of prohibition of atomic weapons except in the unforeseen eventuality that marvellous new scientific procedures should become available for verifying such prohibition. The United States hopes that, whatever the Russian reaction to the Eisenhower plan, the other western countries will join them in an assembly resolution urging that this plan be implemented forthwith as between the United States and the USSR. In short disarmament, whether conventional or nuclear, is at present out of the question; let us therefore try to establish an early warning system between the two great atomic powers.

This may indeed be all that is feasible but I think that we would be unwise to hand the USSR unnecessary propaganda advantage by taking this line openly and bluntly. It will be much easier to carry other countries in the assembly with us if we say that we maintain our objective of disarmament and prohibition of nuclear weapons, provided adequate control arrangements are both feasible and accepted by the USSR, and I would reiterate the suggestion that we answer along this line Sobolev's main question. (I do not see any difficulty on the point whether the March 8 plan is "explicitly dependent" on control. Provision of adequate control is an integral part of the March 8 plan and there has never been any suggestion that the plan might be accepted without the control element).

(3) Given below is the text of Nutting's reply to Stassen's question on the prohibition of atomic tests and I think we might well reply along similar lines:

"Mr. Sobolev's last question, the fifth in the order in which he put them, was whether we agree with the Soviet proposal for a ban on tests of nuclear weapons. On this I have two observations. The first is that, as I understand the Soviet proposal, the ban on tests should

be part of a disarmament programme, not an isolated act to be undertaken prior to disarmament; it is to be part of a disarmament programme. That is the first essential point, and with that point my government has no quarrel. The other essential question is when it is proposed that this ban should take effect within the staging or phasing of a disarmament programme. That question affects in turn the problem of how such a ban is going to be controlled for if, as we propose, you have a ban on the production of all nuclear weapons with effective control over that ban, then you must surely achieve an automatic ban on the testing of nuclear weapons. But if the prohibition on tests is to come at an earlier point in the disarmament programme than the prohibition on production, then I submit that it is essential to consider how such a ban will be controlled.

“That might be a question on which our scientific advisers could assist us, for they, perhaps alone, can consider what degree of control is possible in such circumstances. But on this point the Soviet proposals (DC/SC.1/26/REV.2) of May 10, 1955 refer only very briefly and, if I may say so, rather obscurely to setting up an International Commission to supervise the ban and to make reports to the Security Council and the General Assembly about its observance. It appears that this International Commission of which the Soviet proposals speak is to be an *ad hoc* body with no relation to the permanent international control organ. This suggestion needs considerable elaboration before we can have any assurance that it will be effective. We also need to be told what, if any, relationship this body would have to the disarmament control organ which my government insists must already be in operation from the very beginning of the disarmament process and must, therefore, be in operation and able to supervise and to ensure the carrying out of all the processes of disarmament, including the ban suggested by the Soviet Union.”

3. I should appreciate your earliest possible confirmation that we might reply to Sobolev in the manner suggested above.

71.

DEA/50271-A-40

*Le secrétaire d'État aux Affaires extérieures
au représentant permanent auprès des Nations Unies*

*Secretary of State for External Affairs
to Permanent Representative to United Nations*

TELEGRAM 379

Ottawa, September 8, 1955

SECRET. MOST IMMEDIATE.

Reference: Your telegrams No. 503 of September 7 and No. 498 of September 6.
Repeat Washington No. 1551; London No. 1444; Paris No. 539.

DISARMAMENT

This will confirm that in the light of the United States position outlined in telegrams under reference and in Stassen's public statement as reported in yesterday's *New York Times*, we are in general agreement with the course suggested in your telegram No. 503 and in paragraph 4 of your telegram No. 498.

2. We still regard the new American proposals as a first step towards a general disarmament programme such as that outlined in the Western proposals of March 8 (which included the prohibition of nuclear weapons). Although no condition has been specifically attached to the Western proposals as in the case of the Anglo-French compromise timeta-

ble, the Western plan should of course be considered as a whole and its implementation is consequently subject to a satisfactory solution of the problems of control and inspection.

3. The armed services have now agreed to the levels suggested in the Anglo-French proposals and also in the Russian-Geneva proposals, i.e., 150,000 to 200,000 for smaller powers. We agree, however, with Nutting's view as expressed in paragraph 2(1) of your last telegram. While, therefore, you might announce our agreement in principle to the level suggested for Canada you should at the same time indicate that you do not consider it appropriate for the Sub-Committee to endeavour to fix precise levels for all other countries. You should make it clear that Canada's final commitment on this matter could only be given in the context of a comprehensive programme in which other countries would participate.

4. The armed forces have also expressed their agreement with the stand taken in our last telegram on Sobolev's third question mentioned in your telegram No. 494. They have also confirmed their previous agreement to the Anglo-French compromise on timetable. We agree with your suggestion that there is perhaps no need to spell out our position on this point at this particular stage, bearing in mind the United States attitude.

5. Although we have not yet received the views of other Departments concerned on the question of nuclear tests, we can see no objection to your answering Sobolev's question on this point along the lines of Nutting's reply to Stassen, particularly in his last paragraph.

72.

DEA/50271-A-40

*Le représentant permanent auprès des Nations Unies
au secrétaire d'État aux Affaires extérieures
Permanent Representative to United Nations
to Secretary of State for External Affairs*

TELEGRAM 504

New York, September 8, 1955

SECRET. IMMEDIATE.

Reference: Your telegram No. 360 of September 2.
Repeat London No. 38; Paris No. 8; Washington No. 193.

DISARMAMENT

Following from Martin.

At the morning meeting on Sept 7 of Western Delegations, Stassen announced that he proposed to table the U.S. draft resolution in the sub-Committee sometime this week, probably on Friday. He said that they would welcome suggestions for changes in the wording, but made no reference at all to the views which had been strongly expressed to him at an earlier meeting by the other three that it was premature and inadvisable to table this resolution.

2. Nutting urged him to reconsider and pointed out the embarrassment which might be caused to the United Kingdom and perhaps to other delegations if the Russians should decide to put forward for example their May 10 proposals in the Assembly and call for a paragraph-by-paragraph vote on them. It would certainly be difficult for the United Kingdom even to abstain on paragraphs which were direct quotations from earlier Anglo-French proposals. He therefore urged again the advisability of trying to obtain a resolution which would have Soviet support and he thought that this would have to be a much more general

resolution which did not single out any particular proposal at the expense of others. He thought that we should at least await some indication of the Soviet reaction to the Eisenhower plan before this resolution was tabled, and he could see no advantage and many difficulties from a precipitate tabling of the U.S. draft resolution. The United Kingdom would not welcome any attempt to score a "cold war" victory over the Russians by getting this resolution approved in the Assembly over Soviet objections.

3. Moch concurred in these views, and I said that I thought it would be a serious mistake to advance the resolution in its present form and that I thought that in any case it might be preferable not to put forward a resolution in the sub-Committee. It would be much easier to seek unanimous approval of a resolution which could be developed after the sub-Committee had concluded its meetings when the situation was a good deal clearer. In any event, it would be necessary to have a wider and more flexible draft resolution if we had any serious hopes of advancing it with Soviet support. I hoped that we would eventually be able to agree on something more substantial than a merely procedural resolution but I thought that an early U.S. move to table the present resolution in the sub-Committee would make this task much more difficult.

4. Stassen replied that neither he nor the President had any intention whatsoever to pursue a "cold war" aim. He simply felt that the most hopeful, practical course open to the world was an early agreement between the United States and the USSR on implementing the Eisenhower plan, and he felt that the best way to compel the USSR to accept the plan was to develop an understanding world support for this proposal. He thought that the U.S. draft resolution would contribute to this growing pressure of world public opinion on the USSR and he felt that the sooner the process were begun by introducing the resolution the better. (He would no doubt publish the draft resolution as soon as it had been tabled in accordance with what now appears to be the sub-Committee's practice).

5. In conclusion, Stassen inquired whether if the USSR would agree to this resolution without major changes he could assume that it would be acceptable to the rest of us. Moch and Nutting were obviously rather taken aback at the implication that the views of their governments were of no concern if only the U.S. and the USSR could agree, and they fully reserved their positions on their probable attitude in that unlikely event. Both said that they would almost certainly want some reference in the resolution to the Geneva plans of their Prime Ministers.

6. Having listened carefully to all these reactions, Stassen announced that he proposed to sound out Sobolev today on Soviet reactions to the draft resolution and that he would very likely table it in the sub-Committee on Friday.

7. There appears to be no possibility of making any impact on Stassen on this subject, and I would suggest that the only hope of holding off precipitate U.S. action would be by representations in Washington.⁹⁸

⁹⁸ Pour un rapport sommaire du reste des délibérations du sous-comité, voir le document 210.

For a summary report on the remainder of the Sub-Committee's deliberations, see Document 210.

73.

DEA/50271-A-40

*Le représentant permanent auprès des Nations Unies
au secrétaire d'État aux Affaires extérieures*

*Permanent Representative to United Nations
to Secretary of State for External Affairs*

TELEGRAM 528

New York, September 10, 1955

SECRET. IMPORTANT.

Repeat London No. 45; Washington No. 201; Paris No. 15.

DISARMAMENT

At the meeting of the Four Western Delegations on September 9th Nutting began by expressing the serious concern of his government that the Western Delegations were getting out of step both on the substance and the tactics of the disarmament negotiations. He mentioned three particular points:

(1) The tenor of United States briefing of the press which he regarded as misleading especially in its exaggeration of the possibility of a favourable Soviet response to the Eisenhower plan.

(2) The growing divergence between the United States and other Western Delegations on the subject of previous decisions taken on disarmament.

(3) The question of tabling the United States draft resolution in the Sub-Committee. He repeated his views in strong terms to the effect that the United Kingdom could see absolutely no advantage, even to the United States, in tabling this resolution. His government could not agree to one of the Geneva disarmament proposals being singled out for special treatment. To try to advance this resolution against the advice of the other Western Delegations, and in all probability, against Soviet opposition, would be very "rough tactics" and would be generally regarded as an unfortunate cold war exercise. If the United States put forward this resolution would not the Soviet Delegation ask whether the United States also re-affirmed our earlier objectives of disarmament and prohibition of atomic weapons. A negative answer to this question by the United States Delegation in the Assembly would certainly have a very unfortunate effect on the general support for the United States resolution. To ram the resolution through with a routine "cold war majority" would not be worthy of the President's generous and imaginative initiative. He referred again to the other probably disadvantages of a number of resolutions being advanced many of which might be acutely embarrassing to the United Kingdom and other Delegations.

2. Mr. Martin also expressed his strong concern that we continue our long tradition of giving serious consideration to one another's views before taking action in the United Nations which any other members of the group regarded as unfortunate.

3. Moch spoke along similar lines and asked Stassen to consider that forcing a plan through the Assembly against Soviet opposition might, in effect, be a major setback to the plan. He recalled the "grave error" of the adoption of the Baruch plan in the Atomic

Energy Commission and in the General Assembly.⁹⁹ He thought that Mr. Stassen was too optimistic in his view that the net reaction of public opinion would be favourable to the United States. The USSR could argue that as soon as it made a move on May 10th to meet the Western position, the United States, apparently afraid of Russian agreement, promptly disavowed its earlier positions. They could argue that the Eisenhower plan was just the old disclosure and verification, a system of legalized espionage designed to defer indefinitely any real disarmament or prohibition of atomic weapons. This kind of propaganda would certainly be false said Mr. Moch but it would nevertheless be very effective if the USSR should decide to pursue it. Therefore like his United Kingdom and Canadian colleagues he very strongly urged that the United States defer tabling its resolution at least until there had been a Soviet response to the Eisenhower plan.

4. On the probable Soviet response Moch cited a remark made by Sobolev to Alphand, the new French Permanent Representative. Alphand, during his courtesy call, had not raised the question of disarmament but Sobolev had volunteered to him that the USSR was very disturbed at the new United States move reserving all its pre-Geneva positions of substance on disarmament and he added that he could not see how the USSR could consider the Eisenhower plan seriously unless it formed an integral part of a comprehensive plan. Moch added that he was certain there had been no change of basic Soviet policy which was to secure as part of the disarmament agreement:

- (1) elimination of bases, and
- (2) prohibition of atomic weapons.

He really could not subscribe to the view that these basic Soviet objectives could be dissolved by the pressure of world public opinion.

5. Moch then mentioned again a tentative compromise position which he had already touched on at earlier Western meetings. He wondered how the Eisenhower plan could be made a preliminary to a larger plan, thus at least partly meeting the inevitable Soviet objections. Could it not be combined with a plan for limitation and reduction of conventional forces and for first a ban on further production of atomic weapons (which could be controlled) and eventually, after completion of say 75 percent of the conventional reductions, acceptance of Bulganin's idea that each State would pledge not to be first to use atomic weapons. Agreement on this pledge would of course have to be discussed in NATO but he thought that it might be acceptable in view of the two necessary prerequisites:

- (1) the disparity between Soviet and Western conventional strength would first be largely eliminated;
- (2) the pledge would come only after extensive control and inspection operations covering conventional reductions, and including the Eisenhower air reconnaissance, would have been in effect for a fairly long period.

⁹⁹ Voir/See *Documents on Disarmament 1945-1959*, Volume 1, pp. 7-16.

6. In conclusion he argued that, regarding the Assembly resolution, we must try to create a generally acceptable resolution embodying some degree of agreement in substance among the Western Delegations [and with ?] the USSR. Failing this it would be necessary once again to concoct a merely procedural resolution and, while this would be a regrettable admission of sterility, it would be preferable to a number of different resolutions none of which had any chance of unanimous support.

7. In reply to all this Stassen suggested:

(1) That our press officers meet after each meeting to concert the line taken with the press. This was generally agreed although there is little prospect that the press officers could reach agreement if the Heads of Delegations could not.

(2) He thought we might set up a Working Committee of officials to try to harmonize our views on the substance of disarmament proposals including pre-Geneva proposals. No final decision was reached on this and it is in any case subject to the same objection that if there are real differences in policy such a working group would be of little value.

(3) On the resolution, he said that he was very grateful for the forthright views expressed to him but he hoped that we would be able to re-consider and that we might be able to support the tabling of the resolution next Tuesday instead of this Friday. He made no attempt to meet the arguments advanced against the tactics of early tabling of the resolution but spoke only on the merits of the Eisenhower plan itself on the apparent assumption that opposition to the immediate tabling of the resolution was really opposition to the Eisenhower plan.

8. The United Kingdom Delegation later showed us a telegram from the Foreign Office to Washington asking that the State Department be left in no doubt that the Foreign Secretary strongly supported the position taken by Nutting on tabling the resolution.

9. Our final impression of the meeting was that Stassen will probably table the resolution next week.

SUBDIVISION 2/SUB-SECTION 2

COMMISSION DU DÉSARMEMENT
DISARMAMENT COMMISSION

74. DEA/50271-A-40

*Le chef de la délégation à l'Assemblée générale des Nations Unies
au secrétaire d'État aux Affaires extérieures*

*Chairman, Delegation to United Nations General Assembly,
to Secretary of State for External Affairs*

TELEGRAM 160

New York, October 21, 1955

CONFIDENTIAL. IMMEDIATE.

Reference: Our telegram No. 159 of October 21.†
Repeat Paris No. 77; London No. 124.

MEETING OF DISARMAMENT COMMISSION¹⁰⁰

At the meeting of the Disarmament Commission this afternoon statements were made by representatives of Canada, France, United States, China and the U.S.S.R.

2. The definitive text of Mr. Martin's statement will be sent to you by bag,¹⁰¹ the U.S. delegation was particularly pleased by the references to the Eisenhower plan and before Mr. Martin had finished speaking they asked for a text to be used immediately in "Voice of America" broadcasts. In his statement Lodge said he deeply appreciated the references to President Eisenhower's plan in the Canadian statement. We were a little surprised by the warmth of the American reaction since the statement did not accept the Eisenhower plan unreservedly but made clear our view that it requires much further development and elaboration and that it must be considered in conjunction with other proposals. However, neither Moch nor Nutting made any substantial reference to the Eisenhower plan and the Canadian reaction has been consistently warmer than that of the U.K. and French delegations.

3. In a brief intervention Moch stressed that time was not appropriate for discussion of disarmament either in the Commission or in the Assembly. On the substance of the question he reiterated his view that no particular plan was acceptable except as part of a wider agreement but that, at the same time, no absolutely comprehensive programme covering everything we eventually hope for could be achieved.

4. Lodge said that the U.S. wanted a real debate on disarmament both in the Commission and in the Assembly but that this was not the time to have it. Every member of the Commission and of the United Nations had a right to play its part and the Soviet proposal would make this impossible.¹⁰² His most interesting remarks were on the reservation of earlier U.S. positions. He had given us to understand privately that he thought he could restate this reservation in a way that would deprive the U.S.S.R. of any propaganda advantage from it. In fact, his statement appeared to us even more categorical and negative than Stassen's formulations. He set forth three reasons for the U.S. reservation on its earlier disarmament proposals:

- (1) The problem of accounting for stockpiles of weapons and weapons material;
- (2) The requirement for time to make a new study of the problem of inspection;
- (3) The fact that not only science but the present international situation, in short the "facts of life", placed their own reservation on all earlier disarmament proposals.

5. The first two of these reasons are essentially the ones Stassen has used but the third is a sweeping and imprecise assertion which might be interpreted to mean that U.S. policy on prohibition would not necessarily be affected even by the achievement of the "scientific breakthrough" of which Mr. Stassen has spoken so frequently.

¹⁰⁰ Bien que le représentant soviétique ait accepté auparavant la suggestion de l'Ouest de reporter la réunion après la conférence des ministres des Affaires étrangères à Genève, Sobolev a demandé que la Commission du désarmement reprenne ses travaux à la mi-octobre.

Although the Soviet representative had earlier agreed with a Western suggestion to postpone the meeting until after the Foreign Ministers' conference in Geneva, Sobolev asked that the Disarmament Commission reconvene in mid-October.

¹⁰¹ Voir/See Canada, Department of External Affairs, *Supplementary Papers*, 1955, No. 14.

¹⁰² Les Soviétiques proposaient la tenue, dans les meilleurs délais, d'un débat sur la question du désarmement à la Première Commission. Lodge était plutôt d'avis que les autres délégations avaient besoin de temps pour revoir la documentation et être ainsi en mesure de participer pleinement aux discussions. The Soviets proposed having an early debate on the disarmament item in the First Committee. Lodge argued that the other delegations needed time to review the material in order to be able to participate fully in the discussions.

6. Sobolev then replied to the statements made, attempting to rebut each in turn by repeating his view that discussion now in the Commission and in the Assembly would clear the air and assist the Geneva discussion. He also gave a detailed restatement of the Soviet May 10 proposals and of the Bulganin letter to President Eisenhower.¹⁰³ He concluded that the Commission should make its own report to the Assembly as soon as possible in order to permit Assembly discussion of the disarmament item.

7. As had been agreed at a meeting of the Chairman [Sarper] and the U.S., U.K., French and Canadian representatives, the Chairman then remarked that the consensus of the meeting was that further meetings of the Disarmament Commission would be most useful when it would be possible to take full account of the report of the sub-Committee and of the Geneva Conference and, unless there were objections, he proposed that the Commission should now adjourn and hold its next meeting at a time fixed in the light of the considerations he had just mentioned.

8. Sobolev naturally objected and proposed that the next meeting of the Disarmament Commission should be held on Wednesday, October 26. The Chairman suggested that since only one of the 12 members of the commission did not agree, the meeting should adjourn and leave it to the next Chairman to take what action he considered appropriate. (Sarper is Chairman until the end of October when Sobolev becomes Chairman.) Sobolev also objected to this and the Chairman then said that the decision was in the hands of the meeting. Nutting and Moch expressed the hope that Sobolev would not press for a meeting on the 26th in view of the difficulty this would cause in connection with the Geneva Conference which begins on the following day. Sobolev said he did not insist on putting his proposal to a vote provided the record showed quite clearly that he was opposed to the Chairman's suggestion. We therefore adjourned without fixing the date of the next meeting.

9. It is, of course, conceivable that the Soviet Delegation will still request a further meeting of the Commission, or, when Sobolev becomes Chairman on November 1, he may call a meeting. Under the rules of procedure of the Disarmament Commission, the Chairman may call a meeting when he thinks it necessary and he is required to call a meeting when requested to do so by any member of the Commission.¹⁰⁴

75.

DEA/50271-A-40

*Le chef de la délégation à l'Assemblée générale des Nations Unies
au secrétaire d'État aux Affaires extérieures*

*Chairman, Delegation to United Nations General Assembly,
to Secretary of State for External Affairs*

TELEGRAM 311

New York, November 19, 1955

SECRET. IMMEDIATE.

Repeat London No. 172; Paris No. 108; Washington No. 134.

¹⁰³ Voir/See *Documents on Disarmament, 1945-1959*, Volume 1, pp. 516-521.

¹⁰⁴ La réunion suivante de la Commission du désarmement s'est tenue le 23 novembre 1955. The Disarmament Commission's next meeting was held on November 23, 1955.

MEETINGS OF THE DISARMAMENT COMMISSION

In view of the prospect of further discussions in the Disarmament Commission next week, we have given some thought here to the problems which are likely to arise in the course of the debate and to the tactics which we think might be considered.

2. In spite of the failure of the Geneva Conference we are still convinced that there is hope of reaching some agreement on disarmament even if only on a limited basis and that Western tactics in the Commission and in the General Assembly debates should be based on that assumption. As soon as we have the full record of the Geneva discussions, we think that we should examine very carefully the measure of common ground which may exist between us and the USSR and that we should suggest that further discussions should aim at developing the maximum degree of agreement compatible with commonly held positions.

3. We anticipate that in the Disarmament Commission there will be two and possibly three stages in the debate: (a) the Big Four will attempt to explain and justify the position they took in Geneva; (b) the other members of the Commission will then comment on the situation as it will appear to them in the light of the record of the sub-Committee discussions and of the Geneva proceedings; (c) the Commission may then merely transmit to the Assembly the record of the sub-Committee and of its own discussions on the subject or an attempt may be made at this stage to develop an agreed resolution which could be submitted to the Assembly for approval.

4. From our point of view, it would be desirable and easier to attempt to promote agreement on an acceptable resolution in the Commission rather than in the Assembly. We propose, if you agree, to urge the Western members of the sub-Committee to pursue in the Commission their efforts to reach agreement with the USSR on the future programme of action. The choice is still between a procedural resolution or we fear a renewed attempt on the part of the U.S.A. to secure majority endorsement for the Eisenhower plan. As long as we remain convinced that further progress may be possible in the field of disarmament, we are bound I think to recommend the procedural formula and to resist the attempts to turn the debate into a cold war operation. As a consequence, we are also I think and for the same reason bound to suggest that the effort to develop the agreed resolution should be made in the Commission rather than in the Assembly where the presence of the Indians, for instance, may considerably complicate the task.

5. The procedural resolution, we envisage, might be along the following lines: (a) It could refer in general terms to the various proposals which have been advanced: it is undesirable to list them specifically as this involves difficulties in regard to priorities; (b) It should recognize the technical difficulties involved in attempting to develop a scheme of disarmament which would call for the complete prohibition and elimination of atomic weapons; (c) It should point out that the proposals made so far clearly disclose the existence of common grounds between the parties concerned; (d) It should suggest that without giving up the objective of a more comprehensive arrangement on disarmament, as a first step, a more limited scheme based on agreed positions and providing for adequate control and inspection should be negotiated and implemented as soon as possible.

6. The problem will then arise of determining whether the search for a limited agreement should be undertaken by the sub-Committee with its present or with a larger membership or whether the task should be assigned to a broader body such as the Disarmament Commission itself. Here again our course is bound to be influenced by the view we adopt as to the prospects of agreement. It is clear to us that the smaller the group, the more confidential the discussion, the easier it will be to make any progress. If, for instance, the Indians or the Italians were to take part in the discussion, the temptation would be very great for the

major powers not to negotiate but to rehearse the propaganda battle which they would expect to develop during the following session of the Assembly.

7. We appreciate, of course, that just as we ourselves have argued in the case of the admission of new members, some countries may take the line that after two years the sub-Committee has failed to break the deadlock and that a debate in the Assembly in spite of the risks involved is bound to compel the parties concerned to review their respective positions very carefully and to follow perhaps a course which may be more flexible and more promising in terms of possible agreement because it would be calculated to appeal to the majority. Our objection to this course is that it is based on the assumption that a complete deadlock has been reached and that only outside pressure can now overcome big power reluctance, even strengthened by propaganda postures, to move forward. We do not (group corrupt) the possibility that such outside pressure may be required at some later stage but, as we indicated above, we consider that the prospects of negotiations have not been exhausted and that the sub-Committee should be given another opportunity to promote agreement quietly between the major countries concerned before the General Assembly seeks directly to resolve the issue.

8. These are merely preliminary views which have occurred to us, and, before we approach the other Western Delegations which are members of the sub-Committee, we should appreciate very much receiving your comments and suggestions in the course we propose to follow. The disarmament experts have not yet arrived in New York. As Mr. Moch is very keen that the meetings of the Commission should begin on Tuesday there may be very little opportunity for detailed consultations between the Western Delegations. We should appreciate for this reason an early indication of your views on the foregoing.

[PAUL] MARTIN

76.

DEA/50271-A-40

*Le secrétaire d'État aux Affaires extérieures
au chef de la délégation à l'Assemblée générale des Nations Unies*

*Secretary of State for External Affairs
to Chairman, Delegation to United Nations General Assembly*

TELEGRAM V-157

Ottawa, November 21, 1955

SECRET. IMMEDIATE.

Reference: Your telegram No. 311 of November 19.

DISARMAMENT COMMISSION

I am in general agreement with the course outlined in your telegram including the suggestion for a procedural resolution proceeding from the Commission and the proposal that the Assembly should aim at the adoption of a unanimous resolution instead of attempting to force a decision on the Eisenhower plan. The latest Geneva meetings certainly gave no indication that the Russians were prepared to agree to the plan except on their own terms, and no purpose is likely to be served by manoeuvring them into a position where they might feel compelled to support a programme which they would have no intention of implementing or else of forcing a protracted and unprofitable debate.

2. While you should work toward this end, I think we should leave the initiative in this particular exercise to others if at all possible. The Americans may well insist on other

procedures, and to rally the forces against them on still another issue at this time may not be wise in the long run. Since our views on disarmament will probably be shared by two other Western members of the sub-Committee who were present in Geneva, it might be better to let them carry the ball this time.

[L.B.] PEARSON

77.

DEA/50189-40

*Note du sous-secrétaire d'État adjoint aux Affaires extérieures
pour le sous-secrétaire d'État aux Affaires extérieures*

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

SECRET

[Ottawa], November 22, 1955

EISENHOWER PROPOSALS ON DISARMAMENT

When I was in New York Mr. Martin expressed on a number of occasions anxiety that we should be prepared as soon as possible in the Disarmament Commission or in the Assembly to take a firm stand in favour of the Eisenhower proposals. The British and French had already done so and our position required clarification. Furthermore, our view of the plan was more enthusiastic than that of the British and the French and the Americans would appreciate a firm statement on behalf of their plan.

2. The view which I expressed to Mr. Martin was that we should hesitate to express too strong support in public unless we were prepared to accept the extension of the proposals to Canadian territory. It is true that the original Eisenhower plan spoke only of a bilateral agreement covering Soviet and American territories, but at Geneva Mr. Dulles expressed willingness to consider extending the proposal to cover U.S. bases abroad.¹⁰⁵ He stated also at Geneva that the British and French had agreed to this extension. At present there has been no firm decision on the part of Canada as to whether or not we would agree to the extension of the Eisenhower proposals to cover U.S. bases in Canada or Canadian bases on our own soil. Such a decision is of so great importance to our defence that it would have to be reached, I should think, after solemn deliberation in the Cabinet Defence Committee and after a good deal of study by the Defence authorities. Pending such a decision, we should be careful about statements in New York which might commit us in advance.

3. There has been some communication with National Defence on the subject. We drew the Eisenhower proposals to the attention of the Chairman of the Chiefs of Staff and on October 6 we sent along the more detailed proposals as we had received them from New York. General Foulkes' reply of October 21, † by an unfortunate error, went straight to file without having been seen by anyone here concerned with the subject. In this letter, General Foulkes expresses the view that "Canada should support the Americans in putting forward the Eisenhower proposals". I am not at all sure, however, whether the views expressed somewhat casually in this letter would be considered sufficient on which to base a strong

¹⁰⁵ Pour le texte du discours de Dulles, voir United States, Department of State, *American Foreign Policy*, Basic Documents, Volume II, Washington: United States Government Printing Office, 1957, pp. 2846-2850.

For the text of Dulles' speech, see United States, Department of State, *American Foreign Policy*, Basic Documents, Volume II, Washington: United States Government Printing Office, 1957, pp. 2846-2850.

position in New York. A copy of General Foulkes' letter is attached for your consideration.†

4. It is possible that Mr. Martin will raise this question with Mr. Pearson when he is in New York and you may wish to draw to Mr. Pearson's attention the situation as it exists at present.¹⁰⁶

J.W. H[OLMES]

78.

DEA/50189-40

*Le chef de la délégation à l'Assemblée générale des Nations Unies
au secrétaire d'État aux Affaires extérieures*

*Chairman, Delegation to United Nations General Assembly,
to Secretary of State for External Affairs*

TELEGRAM 328

New York, November 22, 1955

CONFIDENTIAL. IMPORTANT.

Reference: Our immediately preceding telegram.†
Repeat London No. 183; Paris No. 117; Washington No. 145.

DISARMAMENT

There was a meeting of the four Western sub-Committee delegations this afternoon (attended by Mr. Lodge, Mr. Nutting, Mr. Moch and Mr. Martin) to discuss the United States draft resolution quoted in our telegram under reference and to consider tactics for disarmament in the Disarmament Commission which meets tomorrow morning, as well as in the Assembly.

2. The United States position set forth by Lodge and Wadsworth was that we should try both in the Disarmament Commission and in the Assembly to obtain a clear-cut endorsement for the Eisenhower plan and the other ideas mentioned in the draft resolution, i.e., Soviet control posts, budgetary information as outlined in the Faure plan, and the Eden suggestion of studying problems of inspection and control. He thought we could at least obtain a very large majority for such a resolution and, by building up the pressure of world public opinion, we might even induce the U.S.S.R. to support it. Regarding the Disarmament Commission, he did not insist on a resolution, but he felt that in some way the Disarmament Commission should transmit positive recommendations along these lines to the Assembly rather than merely handing on the undigested sub-Committee records.

¹⁰⁶ Le 7 décembre 1955, Martin a prononcé à la Première Commission de l'Assemblée générale des Nations Unies un discours dans lequel il appuyait les propositions d'Eisenhower. Pour le texte de ce discours, voir Nations Unies, *Documents officiels de l'Assemblée générale, dixième session, première commission*, 805^e réunion, le 7 décembre 1955, pp. 265 à 267.

On December 7, 1955, Martin gave a speech in the First Committee of the United Nations General Assembly in which he expressed support for the Eisenhower proposals. For the text of the speech, see United Nations, *Official Records of the General Assembly, Tenth Session, First Committee*, 805th Meeting, December 7, 1955, pp. 249-251.

3. Nutting and Moch took essentially the same position, sharply at variance with the United States suggestion. Both preferred the briefest possible Disarmament Commission debate and a simple transmittal of the sub-Committee record to the Assembly without any attempt at a general directive from the Commission on the Assembly. In the Assembly both favour an attempt to secure unanimous agreement on a simple procedural resolution which does little more than call on the sub-Committee to resume its labours. Both expressed the fear that a broader resolution such as that suggested by the United States would leave the United Kingdom and French delegations open to the danger of embarrassing amendments which they could hardly refuse and which the United States could not accept. Such amendments, for example, might introduce the levels of forces proposed in London by the United Kingdom and French delegations, the prohibition of atomic weapons after two-thirds of conventional reductions, and the complete elimination of atomic weapons simultaneously with the carrying out of the final one-third of conventional reductions. Amendments along these lines could be introduced in words quoted directly from United Kingdom or French proposals. Both Moch and Nutting argued strongly that the only possibility of avoiding this difficulty was to insist on a purely procedural resolution.

4. Lodge said that he found the statements made by Nutting and Moch profoundly disappointing. The United States draft resolution was based directly on a paper which had been agreed by the three Foreign Ministers in Geneva — if this would help the situation, the United States could use exactly the same text as the Geneva Declaration — and he found it strange that proposals accepted by the Foreign Ministers in Geneva could not be accepted by Assembly Delegations in New York.¹⁰⁷ He thought that we had in the meeting of the Disarmament Commission and in the Assembly's debate on disarmament a tremendous opportunity to put the United Nations on the record in favour of the Eisenhower plan and the other proposals which are included, and he was sure that if this were done in a sufficiently bold and vigorous way it would have an effect on the Soviet position. If the other delegations could not support the United States in this matter, his delegation would have to consider taking action alone, but his government would very much prefer an initiative jointly undertaken by all the Western members of the Disarmament sub-Committee.

5. Nutting interjected that the position at Geneva was a good deal different from the Assembly position where the Soviet Union had a number of important more or less neutral nations whose support they might be able to win, particularly if they could argue that the U.S.S.R. was advancing views until recently held by the Western Powers, at least by the United Kingdom and France. Nutting also put the case rather sharply against the Eisenhower plan, "We accuse the Russians," he said, "of advocating disarmament without inspection. The Eisenhower plan, on the other hand, is inspection without disarmament." Lodge denied this and said that the United States position was that they would agree to some disarmament along with the implementation of the Eisenhower plan, although this statement does not seem to accord with the United States position advanced by Stassen in the sub-Committee, or, for that matter, with the draft resolution in our telegram under reference. In this resolution, the Eisenhower plan and other inspection proposals suggested in operative paragraph 3 are described as a "prelude to a general disarmament programme". If

¹⁰⁷ Pour le texte de la Déclaration des trois puissances, voir France, Ministère des Affaires étrangères, *Réunion de quatre ministres des Affaires étrangères tenue à Genève du 27 octobre au 16 novembre 1955*. Paris: Imprimerie Nationale, p. 100.

For the text of the Three Power Declaration, see *Documents on Disarmament, 1945-1959*, Volume 1, pp. 553-555.

they could be described as a "part" of such a programme, the position vis-à-vis the U.S.S.R. would be a good deal stronger.

6. Mr. Martin said that he had a good deal of sympathy for the general position advanced by Lodge that we should not rest our case in the Assembly merely on a procedural resolution, but that we should be willing to advance and support some more substantial outline of inspection and disarmament proposals. He said that we had not yet had time to study the United States draft resolution, but that at first glance it seemed on the whole satisfactory. He suggested that the difficulties foreseen by Moch and Nutting would arise in any event, even if we had a narrowly procedural resolution. In that case, other delegations, for example India, would probably table their own resolutions which might well contain parts of earlier Western proposals which now create difficulties for the United States, and might, therefore, reveal disunity in the Western camp. However, these differences were now on record in the sub-Committee in any case, and would no doubt be produced in the Assembly debate. If, therefore, a simple procedural resolution would not save us from the difficulties expected by Moch and Nutting, the arguments in favour of a meatier resolution were strong.

7. Regarding the Disarmament Commission, Mr. Martin said that he was inclined to agree with Moch and Nutting that it would be better not to put forward the Western resolution there. Since in any event we would have to make the case for such a resolution a second time in the Assembly, it seemed better to restrict the discussion in the Disarmament Commission and get on as soon as possible to the consideration of disarmament in the Assembly. In conclusion, Mr. Martin suggested that it would not be profitable for us to try to resolve these important differences among us today, and the meeting adjourned without any general agreement having been reached.

8. Moch will speak first in the Disarmament Commission tomorrow morning, but beyond that we have very little indication of the likely development of the debate.

79.

DEA/50189-40

*Le chef de la délégation à l'Assemblée générale des Nations Unies
au secrétaire d'État aux Affaires extérieures*

*Chairman, Delegation to United Nations General Assembly,
to Secretary of State for External Affairs*

TELEGRAM 337

New York, November 24, 1955

CONFIDENTIAL. IMPORTANT.

Repeat London No. 184; Paris No. 119; Washington No. 146.

DISARMAMENT

My immediately following telegram contains text of a revision we have prepared within the delegation of the U.S. draft resolution.

2. This new draft differs in a number of respects from the U.S. original:

(a) reference is made to the ultimate elimination of nuclear weapons if adequate safeguards are discovered;

(b) paragraph (c) of the introduction has been revised to remove the implication that the taxation burden would remain at the present level;

(c) the point is made in the introduction that pending agreement on a complete disarmament programme extending to all kinds of armaments, including nuclear weapons, it might still be possible to reach agreement on such limitations and reductions or armaments as can be effectively controlled;

(d) the revised draft suggests that the Eisenhower plan could be implemented not as a prelude to but as the first part of a comprehensive programme.

3. It seems to us that the revisions we suggest might go some way towards meeting the U.S.S.R. attitude as regards the elimination of nuclear weapons and the incorporation of the Eisenhower plan into a wider disarmament programme.

4. From the U.S. point of view we think that the revision might perhaps be acceptable in so far as it does not suggest that a scheme should be developed which would involve the immediate elimination of nuclear weapons but which would yet give priority to a combination of the Eisenhower plan and the Bulganin plan. The arrangement we foresee would call for the establishment of an early warning system against sudden attack as part and parcel of as comprehensive a scheme on disarmament as can be effectively controlled at this stage.

5. We should be glad to have your comments on our suggested revision to the U.S. draft. We would appreciate receiving your suggestions if at all possible some time tomorrow as we are anxious to have discussions on this matter with the other Western members of the sub-Committee before the disarmament debate in the Assembly which could be held early next week.

80.

DEA/50189-40

*Le chef de la délégation à l'Assemblée générale des Nations Unies
au secrétaire d'État aux Affaires extérieures*

*Chairman, Delegation to United Nations General Assembly,
to Secretary of State for External Affairs*

TELEGRAM 338

New York, November 24, 1955

CONFIDENTIAL. IMPORTANT.

Reference: Our telegrams 327† and 328 of November 22.
Repeat London No. 185; Paris No. 120; Washington No. 147.

DISARMAMENT

Following is the revised text of the draft U.S. resolution mentioned in my immediately preceding telegram. Text begins:

The General Assembly,

Reviewing the report of the Disarmament Commission on the work of its sub-Committee, as contemplated in General Assembly Resolution 808 (IX) of 4 November 1954,¹⁰⁸

Noting the efforts of the sub-Committee carried on in the spirit of the conference of the Heads of Government of July 1955 to reach agreement on a satisfactory system of disarmament,

¹⁰⁸ Voir/See Volume 20, Document 166.

Observing that the members of the Disarmament Commission sub-Committee appear to agree on the following:

(a) Inspection, control, limitation, reduction of armaments and, ultimately, if adequate safeguards are discovered, the elimination of nuclear weapons can best be achieved in an atmosphere which is free of fear and suspicion;

(b) The renunciation of the use of nuclear weapons and all other weapon in any manner inconsistent with the Charter of the United Nations;

(c) The need to relieve the burden of armaments on nations and to increase assistance to less developed countries with the material resources that would be released by agreements in the disarmament field;

(d) The fact that an effective system of inspection and control is the keystone of any disarmament programme, and, consequently, the need to establish an organ responsible for the inspection and control of agreed measures of disarmament under effective safeguards;

(e) The fact that there are possibilities beyond the reach of international control for evading this control and for organizing the clandestine manufacture of atomic and hydrogen weapons even if there is a formal agreement on international control;

(f) The need for continued scientific search by each State, with appropriate consultation between Governments, for methods which might be derived from evolving scientific knowledge that would make possible a thoroughly effective inspection and control system of nuclear weapons material as part of a disarmament programme covering all kinds of armaments;

(g) Pending agreement on a disarmament programme covering all kinds of armaments, the need to arrive at agreements on such limitations and reductions of armaments and of armed forces as can be effectively controlled;

1. *Requests* the Disarmament Commission acting initially through its sub-Committee to seek agreement on a comprehensive programme for disarmament which will promote international peace and security with the least diversion for armament of the world's human and economic resources.

2. *Recommends* that the Disarmament Commission reconvene its sub-Committee at an early date and seek to develop early agreement on the widest possible programme for disarmament which can be effectively controlled and that, as the first part of such a comprehensive programme, the States concerned

(a) Should agree promptly to put into simultaneous operation in order to help prevent a surprise attack:

(i) a plan for exchange of military blueprints and aerial inspection on the basis of the proposal of the President of the United States on July 21, 1955; and

(ii) a plan for establishing control posts at key points, as suggested in the proposals of the USSR of May 10, 1955;

(b) Should also agree:

(i) to arrange for the exchange and publication of information regarding military expenditures and budgets, as suggested by the Prime Minister of France on July 22,[sic] 1955; and

(ii) to study how best to gain practical experience regarding the problems of inspection and control, as suggested by the Prime Minister of the United Kingdom on July 21, 1955.

3. *Requests* that the Disarmament Commission report to the next session of the General Assembly. Text ends.

81.

DEA/50189-40

*Le secrétaire d'État aux Affaires extérieures
au chef de la délégation à l'Assemblée générale des Nations Unies*

*Secretary of State for External Affairs
to Chairman, Delegation to United Nations General Assembly*

TELEGRAM V-176

Ottawa, November 25, 1955

CONFIDENTIAL. IMMEDIATE.

Reference: Your telegrams Nos. 337 and 338 of November 24, 1955.
Repeat London V-1929; Paris V-771; Washington V-2000.

DISARMAMENT

We are in general agreement with the suggestions made in your telegram No. 337. With regard to your first amendment we would suggest that the provision concerning the prohibition of use of nuclear weapons (your paragraph "B") should come first in view of the priority which the Russians are giving to this proposition and also of its world wide appeal. To our mind this appeal would be substantially enhanced if the wording could be amended to indicate unanimous agreement on the renunciation of the use of nuclear and other weapons "except in defence against aggression". The words "in any manner inconsistent" in the present text might be replaced by the word "except in defence against aggression in accordance". Your paragraph "A" might appropriately become the second last paragraph of the preamble.

2. The wording of your second amendment (paragraph "C") can be interpreted to mean that all savings resulting from disarmament would be earmarked for technical assistance. This, you may recall, was one of the main objections to the original Faure proposals. Unless some satisfactory formula can be found to eliminate this implication we consider that a more specific wording along the lines of Resolution 724 A (VIII) should be used.¹⁰⁹

3. With regard to your paragraph (G) we are not too clear at this end whether the Russians can be regarded as having agreed to the proposition contained in this paragraph.

4. We would hesitate to recommend that the sub-Committee be reconvened "at an early date". Our understanding is that the United States' report will only be submitted to their

¹⁰⁹ Pour le texte de la résolution 724 (VIII)A, voir Nations Unies, *Documents officiels de l'Assemblée générale, huitième session, Supplément N° 17 (A/2630), Résolutions, résolution 724 (VIII)A, 7 décembre 1953, p. 10.*

For the text of Resolution 724 (VIII)A, see United Nations, *Official Records of the General Assembly, Eighth Session, Supplement No. 17 (A/2630), Resolutions, Resolution 724 (VIII)A, December 7, 1953, p. 10.*

[National] Security Council about the middle of January.¹¹⁰ Even if this dead line is met, a relatively long delay will be required for final decision by the Council and most of all for other Western members to digest the report and then negotiate a common line in preparation for the sub-Committee meetings. Unless United States and other Western members are convinced that all this can be achieved within a fairly short time, we would suggest the Assembly resolution should be as non-committal as possible with regard to the time when the sub-Committee should reconvene.

5. We still think a less elaborate preamble would have been preferable. It may be, however, that the line suggested in the United States draft is the only course practicable if all interests are to be reconciled.

6. We have misgivings about the use in disarmament texts of the term "blueprint". It is a somewhat slovenly metaphor which could produce dangerous confusion as to whether it should be interpreted literally or figuratively. While we realize that it may be difficult to suggest alternatives at this stage to the Americans, you might bear this in mind in future discussions.

82.

DEA/50189-40

*Le chef de la délégation à l'Assemblée générale des Nations Unies
au secrétaire d'État aux Affaires extérieures*

*Chairman, Delegation to United Nations General Assembly,
to Secretary of State for External Affairs*

TELEGRAM 356

New York, November 28, 1955

CONFIDENTIAL

Repeat Washington No. 152; London No. 190; Paris No. 124.

DISARMAMENT

The First Committee decided today at the conclusion of its consideration of the Morocco item to take up next the item on disarmament¹¹¹ (i.e. the report of the Disarmament Commission) and to consider simultaneously the Soviet item on relaxation of international tension.

¹¹⁰ Pour plus d'information sur la création des groupes de travail chargés d'élaborer la politique américaine du désarmement, voir United States, Department of State, *Foreign Relations of the United States (FRUS), 1955-1957*, Volume XX, Washington: United States Government Printing Office, 1990, pp. 173-174 and 225-227. Pour les recommandations des groupes de travail, voir *ibid.*, pp. 290-304.

For information on the establishment of the task forces set up to develop American policy on disarmament, see United States, Department of State, *Foreign Relations of the United States (FRUS), 1955-1957*, Volume XX, Washington: United States Government Printing Office, 1990, pp. 173-174 and 225-227. For the recommendations of the task forces, see *ibid.*, pp. 290-304.

¹¹¹ Le 25 novembre, la Commission du désarmement décidait d'adresser son rapport à l'Assemblée générale, où il devait faire l'objet de discussions, du 30 novembre au 12 décembre, dans le cadre de la Première Commission. Voir United Nations, *Yearbook of the United Nations*, 1955, New York: United Nations, 1956, p. 8.

On November 25 the Disarmament Commission decided to send its report to the General Assembly where the First Committee considered it from November 30 to December 12. See United Nations, *Yearbook of the United Nations*, 1955, New York: United Nations, 1956, p. 8.

2. The first meeting on disarmament will be held on Wednesday morning and we understand that the Soviet Representative, Kuznetsov, will be the first speaker. A meeting of the Heads of the Four Western sub-Committee Delegations has been arranged for tomorrow afternoon to consider further tactics for the disarmament debate, particularly the question of a resolution. We have given copies of our draft resolution (revised in accordance with your telegram No. V-176 of November 25) to the United States and United Kingdom Delegations and are also sending a copy to the French Delegation. We have received from the United Kingdom Delegation a proposed draft resolution on disarmament which seems to cover essentially the same points as our draft.

3. The text of this United Kingdom draft is given in my immediately following telegram.

83.

DEA/50189-40

*Le chef de la délégation à l'Assemblée générale des Nations Unies
au secrétaire d'État aux Affaires extérieures*

*Chairman, Delegation to United Nations General Assembly,
to Secretary of State for External Affairs*

TELEGRAM 357

New York, November 28, 1955

CONFIDENTIAL

Reference: My immediately preceding telegram.

Repeat London No. 191; Washington No. 153; Paris No. 125.

DISARMAMENT

Following is the text of the United Kingdom draft resolution begins: *The General Assembly*

1. *Desirous* of contributing to the lowering of international tension, strengthening of confidence between states and the reduction of the burden of armaments,

2. *Convinced* therefore of the need to continue to seek agreement on a comprehensive programme for disarmament which will promote international peace and security with the least diversion for armament of the world's human and economic resources,

3. *Welcoming* the progress which has been made towards agreement on objectives during the meetings of the sub-Committee of the Disarmament Commission in 1955,

4. *Noting* that agreement has not yet been reached on a control system which is the key stone of any disarmament agreement,

5. *Noting* also that special technical difficulties have arisen in regard to the detection and control of nuclear weapons material,

6. *Recognizing* further that inspection and control of the limitation and reduction of armaments can best be achieved in an atmosphere which is free of fear and suspicion,

7. *Urges* that the States concerned, and particularly those of the Disarmament Sub-Committee, whilst continuing to seek agreement on a comprehensive disarmament plan, should give priority to

(i) early implementation of such confidence building measures as President Eisenhower's plan for exchanging military blueprints and mutual aerial inspection, and Marshal Bulganin's plan for establishing control posts at strategic centres;

(ii) early agreement on such measures of disarmament as can, with suitable safeguards, be put into effect in present conditions.

8. *Recognizes* further that scientific search be continued by each state, with appropriate consultation between governments, for methods that could make possible thoroughly effective inspection and control of nuclear weapons material, thus facilitating agreements on general nuclear disarmament,

9. *Expresses* the hope that the Disarmament Sub-Committee will shortly reconvene and will maintain its efforts to hasten the attainment of these goals. Text ends.

84.

DEA/50189-40

*Le chef de la délégation à l'Assemblée générale des Nations Unies
au secrétaire d'État aux Affaires extérieures*

*Chairman, Delegation to United Nations General Assembly,
to Secretary of State for External Affairs*

TELEGRAM 361

New York, November 29, 1955

SECRET. IMMEDIATE.

Reference: Our telegram No. [356?] of November 28, 1955.

Repeat London No. 193; Washington No. 155; Paris No. 126.

DISARMAMENT

There was a meeting this afternoon attended by Moch, Lodge, Nutting and Martin to consider the question of a draft resolution on disarmament. Lodge said that he could accept something very close to the United Kingdom draft (our telegram No. 357 of November 28) and Moch said he preferred the United Kingdom draft to the earlier United States draft but that his first preference would be the Canadian draft. Lodge's chief difficulty with the Canadian draft is the phrase "as the first part of such a comprehensive programme" in operative paragraph 2.

2. Nutting expressed a different objection to the Canadian draft, namely that a "widest possible programme for disarmament which can be effectively controlled" (operative paragraph 2) covers much too large a field. When we enquired whether paragraph 7(ii) of the United Kingdom draft did not mean much the same thing as the Canadian sentence to which he objected, he said that the United Kingdom intention was much more restricted. The United Kingdom phraseology covered only such disarmament as could be effectively controlled and also only such disarmament as was practicable in the light of the current international situation. Developing this point, he said that it had always been the United Kingdom view that certain major international political settlements must necessarily precede the putting into effect of a comprehensive disarmament programme. In particular he had in mind the reunification of Germany on satisfactory terms. Mr. Martin said that this seemed to him to indicate a retreat in the United Kingdom position on disarmament but Nutting contended that political prerequisites had always been part of his government's policy. We pointed out that the Anglo-French plan, as tabled in London on March 8 by Canada, France, United Kingdom and United States, mentions no political conditions of

this sort which must be met before the plan would go into effect.¹¹² Nutting replied that, nevertheless, such conditions were “understood”.

3. Moch (who was the author of the plan) intervened to say that he had not understood such political conditions or limitations on the plan. His view had always been that we should proceed to implement such disarmament as was capable of effective control.

4. We agreed to have meetings again to-morrow, first at the official level and then with Heads of Delegations to try to seek agreement on the text of a resolution. It is, at any rate, an advance in the United States position over the line taken by Stassen that they can support the United Kingdom draft, but we feel that if the United Kingdom delegation interprets its draft as frankly in public as it did to-day, the Western case on disarmament will be seriously weakened. For example, it can already be argued that our response to the Soviet May 10 proposal was the sudden discovery of the technical and scientific impossibility of nuclear prohibition; now, if there should be any danger of merely conventional disarmament, we are ready with new and difficult political conditions.

5. We have given preliminary consideration to the following redraft of paragraph 7 of the United Kingdom draft resolution:

“7. *Urges* that the States concerned, and particularly those of the Disarmament Subcommittee, whilst continuing to seek agreement on a comprehensive disarmament plan, should give priority to an early agreement on such a disarmament programme as can, with suitable safeguards to be put into effect (in present conditions), including (preferably as a prelude) the early implementation of such confidence building measures of President Eisenhower’s plan for exchanging military blue-prints and mutual aerial inspection and Marshal Bulganin’s plan for establishing control posts at strategic centres.”

6. It would be better to delete the phrase “in present conditions” in the above re-draft but it could be left in provided the United Kingdom did not intend to develop explicitly and openly the view expressed to us to-day. The phrase “preferably as a prelude” might also be deleted if the Soviet Union were strongly opposed to it and the United States would agree to its deletion.

7. On the general question of a possible Soviet reaction to a Western draft resolution, Lodge and Nutting were both of the view that even if the U.S.S.R. opposed certain parts of a Western draft, it would probably support that part of a draft re-establishing the Subcommittee and that it was, therefore, not necessary (however desirable) to have unanimity on the whole resolution in order to have Soviet agreement on continuing the Subcommittee.

¹¹² Voir *Documents relatifs au désarmement 1954-1959*, pp. 21 à 23.

See *Documents on Disarmament, 1945-1959*, Volume 1, pp. 448-450.

85.

DEA/50189-40

*Le chef de la délégation à l'Assemblée générale des Nations Unies
au secrétaire d'État aux Affaires extérieures*

*Chairman, Delegation to United Nations General Assembly,
to Secretary of State for External Affairs*

TELEGRAM 367

New York, November 30, 1955

CONFIDENTIAL. IMMEDIATE.

Reference: Our telegram No. 361 of November 29.

Repeat London No. 195; Washington No. 158; Paris No. 128.

DISARMAMENT

My immediately following telegram contains the text of a revised draft resolution on disarmament. This draft is based mainly on the earlier United Kingdom draft but paragraph 7(ii)(b) has been revised to make it less apparent that there may be other conditions, such as the political conditions mentioned by Nutting, in addition to the usual control and inspection conditions which we have always accepted. At a meeting this afternoon of the Four Western sub-Committee Delegations, Mr. Martin indicated that he thought we could accept this draft which is also acceptable to the United Kingdom Delegation. The United States Delegation expects instructions within 24 hours and seems likely to be able to accept this draft. Moch feels that it represents a substantial withdrawal from positions formerly taken by France and the United Kingdom but he is seeking instructions as to whether he can co-sponsor it.

2. We are inclined to agree that it will require some ingenuity to demonstrate in the debate that this draft resolution is not a retreat for the United Kingdom, France and Canada because it does not mention nuclear prohibition of any sort except insofar as nuclear weapons are implied in the phrase "comprehensive disarmament plan" in paragraph 7. Nevertheless, if the United States can co-sponsor it, it is a significant advance for them as compared with Stassen's position. Paragraph 7 does not state that the Eisenhower plan must be implemented before any disarmament measures are carried out. Part (a) and part (b) of paragraph 7 are on an equal footing.

3. Nutting is anxious that this resolution be tabled as soon as possible so that it will have priority over any other resolutions on disarmament that may emerge. We agreed at the meeting to delay tabling at least until Friday in the hope of achieving joint sponsorship of all Four Western Members of the sub-Committee.

86.

DEA/50189-40

*Le chef de la délégation à l'Assemblée générale des Nations Unies
au secrétaire d'État aux Affaires extérieures*

*Chairman, Delegation to United Nations General Assembly,
to Secretary of State for External Affairs*

TELEGRAM 368

New York, November 30, 1955

CONFIDENTIAL. IMMEDIATE.

Reference: My immediately preceding telegram.

Repeat London No. 196; Washington No. 159; Paris No. 129.

DISARMAMENT

Following is the text of the draft resolution mentioned in my telegram under reference:

The General Assembly

1. *Desirous* of contributing to the lowering of international tension, strengthening of confidence between States and the reduction of the burden of armaments,

2. *Convinced* therefore of the need to continue to seek agreement on a comprehensive programme for disarmament which will promote international peace and security with the least diversion for armament of the world's human and economic resources,

3. *Welcoming* the progress which has been made towards agreement on objectives during the meetings of the Sub-Committee of the Disarmament Commission in 1955,

4. *Noting* that agreement has not yet been reached on the rights, powers and functions of a control system which is the keystone of any disarmament agreement,

5. *Noting* also that special technical difficulties have arisen in regard to the detection and control of nuclear weapons material,

6. *Recognizing* further that inspection and control of the limitation and reduction of armaments can best be achieved in an atmosphere which is free of fear and suspicion,

7. *Urges* that the States concerned and particularly those on the Disarmament Sub-Committee

(i) should continue to seek agreement on a comprehensive disarmament plan;

(ii) should give priority to:

(a) early implementation of such confidence-building measures as President Eisenhower's plan for exchanging military blue-prints and mutual aerial inspection, and Marshal Bulganin's plan for establishing control posts at strategic centres;

(b) early agreement on such measures of an adequately safeguard disarmament plan as are now feasible.

8. *Suggests* that account should also be taken of the proposals of the Prime Minister of France for exchanging and publishing information regarding military expenditures and budgets and of the Prime Minister of the United Kingdom for seeking practical experience in the problems of inspection and control.

9. *Recognises* further that scientific search is being continued by each State, with appropriate consultation between governments, for methods that could make possible thoroughly effective inspection and control of nuclear weapons material, thus facilitating agreements on general nuclear disarmament;

10. *Suggests* that the Disarmament Commission reconvene its sub-Committee and that they should pursue their effort to attain the above objectives.

11. *Decides* to transmit to the Disarmament Commission, for its information, the records of the meeting of the First Committee at which the disarmament problem was discussed, and expresses the hope that the Disarmament Commission and the sub-Committee will give careful consideration to the views expressed in these documents. Text ends.

87.

DEA/50189-40

*Le chef de la délégation à l'Assemblée générale des Nations Unies
au secrétaire d'État aux Affaires extérieures*

*Chairman, Delegation to United Nations General Assembly,
to Secretary of State for External Affairs*

TELEGRAM 370

New York, December 1, 1955

CONFIDENTIAL. IMMEDIATE.

Reference: Our telegram No. 368 of November 30.

Repeat London No. 198; Paris No. 131; Washington No. 161.

DISARMAMENT

The French Delegation is now able to co-sponsor the resolution given in our telegram under reference with the addition of a new paragraph which will become paragraph 1 and which will read along the following lines: "Recalling Resolution 808 (IX) adopted unanimously by the Ninth General Assembly". This addition is acceptable to the United Kingdom Delegation and Lodge, while he is consulting Washington, seemed confident that the United States Delegation would be able to co-sponsor the draft resolution including this additional paragraph.

2. Nutting is most anxious to table the resolution tonight in order to have it before the Committee when he speaks tomorrow, and in view of this and the probability that by tonight all the other Three Western Members of the Sub-Committee will be co-sponsors, we have informed the United Kingdom delegation that Canada is also willing to co-sponsor the draft resolution.

3. The reference to last year's unanimous resolution we think strengthens the draft, and we understand that Nutting will not say anything in his statement tomorrow which will lay us open to the charge that we are now making disarmament explicitly dependent upon certain political settlements.

88.

DEA/50189-40

*Le chef de la délégation à l'Assemblée générale des Nations Unies
au secrétaire d'État aux Affaires extérieures*

*Chairman, Delegation to United Nations General Assembly,
to Secretary of State for External Affairs*

TELEGRAM 391

New York, December 7, 1955

IMPORTANT

DISARMAMENT

Following is the text of a number of Soviet amendments to the Western draft resolution. Text begins:

Union of Soviet Socialist Republics: Amendments to the Joint Draft Resolution submitted by Canada, France, United Kingdom of Great Britain and Northern Ireland and United States of America (A/C.1/L.150)

1. Insert the following as the first paragraph of the preamble:

“Noting with satisfaction the efforts made by States, particularly of late, to relax international tension, to promote mutual confidence and to develop cooperation among States, and the particular importance in this respect of the Geneva Conference of the Heads of Government of the Four Powers, the Bandung Conference of the Asian and African countries, and the development of contacts between the political leaders of States”;

2. In the second paragraph of the preamble insert the words “the removal of the threat of war” before the words “and the reduction of the burden of armaments”.

3. Replace the fourth, fifth and sixth paragraphs of the preamble by the following:

Welcoming the agreement on objectives reached during the meetings of the Sub-Commission of the Disarmament Commission in 1955;

Noting the rapprochement between the powers on several important questions concerning the establishment of maximum levels for the armed forces of the Five Powers, France, the United Kingdom, the United States of America, China and the Soviet Union, and on the order to be followed in the execution of measures for the prohibition of atomic weapons and the need to set up effective international control.”

4. In the seventh paragraph of the preamble replace the words “of the limitation and reduction of armaments” by the words “of disarmament”.

5. Add the following at the end of sub-paragraph 1(a) of the operative part “in accordance with Resolution 808(IX) of 4 November 1954;”.

6. Reword sub-paragraph 1(b)(i) of the operative part of the resolution to read as follows:

“(1) the proposals of the Soviet Government of 10 May and 21 July 1955 on the reduction of armaments,¹¹³ the prohibition of atomic weapons and the removal of the threat of a new war; President Eisenhower’s plan for exchanging military blueprints and mutual aerial inspection; the proposal of the Prime Minister of France and the proposal of the Prime Minister of the United Kingdom presented at Geneva, and relevant proposals of other States;”.

¹¹³ Voir *Documents Diplomatiques Français 1955, Annexes, Tomes II*, pp. 161 à 162.
See *Documents on Disarmament, 1945-1959*, Volume 1, pp. 484-485.

7. Delete paragraph 2 of the operative part.

8. Rewords paragraph 3 of the operative part to read as follows:

“3. *Recognizes* further, that the study of methods of control of the execution by States of their disarmament obligations, to be carried out in the various countries at the present time, should have as its aim to facilitate the solution of the problem of disarmament;”. Text ends.

89.

DEA/50189-40

*Le chef de la délégation à l'Assemblée générale des Nations Unies
au secrétaire d'État aux Affaires extérieures*

*Chairman, Delegation to United Nations General Assembly,
to Secretary of State for External Affairs*

TELEGRAM 402

New York, December 7, 1955

CONFIDENTIAL. IMPORTANT.

DISARMAMENT

At a meeting of officials today of delegations of the United States, United Kingdom, France and Canada we discussed the Soviet amendment to the Western draft resolution.

2. On the first Soviet amendment the United States and United Kingdom could accept and the French were seeking instructions on the following paragraph, similar to that suggested by the U.S.S.R., which would be inserted as a new paragraph 1:

“Expressing the hope that efforts to relax international tensions, to promote mutual confidence, and to develop cooperation among States, such as the Geneva Conference of the Heads of Government, the Bandung Conference and the tenth anniversary commemorative meeting of the United Nations at San Francisco¹¹⁴ will prove effective in promoting world peace.”

3. The United States, United Kingdom and French delegations can accept the second Soviet amendment affecting the second paragraph of the preamble.

4. The third Soviet amendment to replace the fourth, fifth and sixth paragraphs of the preamble is not acceptable to these other Western delegations. The Soviet suggestion that we note the rapprochement by the powers on levels of forces, prohibition of atomic weapons and effective international control would cause the greatest difficulties for the United States in view of their reservations over earlier positions. It is also not correct to talk of a rapprochement on the need to set up effective international control. There has been no substantial Soviet move to accept the essentials of the Western position on control.

5. The fourth Soviet amendment regarding the seventh paragraph of the preamble is acceptable to the United States, United Kingdom, and France.

6. The fifth Soviet amendment is also acceptable to these delegations.

¹¹⁴ Pour un compte rendu des réunions tenues à San Francisco afin de commémorer le 10^e anniversaire de la fondation des Nations Unies, voir Canada, Ministère des Affaires extérieures, *Affaires Extérieures*, vol. 7, N^o 9, septembre 1955, pp. 239-242.

For a report on the meetings in San Francisco to commemorate the tenth anniversary of the founding of the United Nations, see Canada, Department of External Affairs, *External Affairs*, Vol. 7, No. 9, September 1955, pp. 235-238.

7. The sixth Soviet amendment is not acceptable because the insertion of the Soviet proposals of May 10 and July 21 (i.e. a general disarmament programme, including prohibition of atomic weapons) into paragraph 1.(b)(i) would be essentially in contradiction to the thinking behind the present Western draft. Thus 1.(b)(i) is now devoted to the Eisenhower and Bulganin early warning proposals; Paragraph 1.(b)(ii) is devoted to such limited disarmament as is now feasible and capable of adequate safeguards. In addition, to this basic contradiction the Soviet proposals of May 10 and July 21 include many unacceptable details. For example, the introductory political proposals of the May 10 document.

8. The seventh Soviet amendment is irrelevant if the sixth is not accepted.

8. To meet the eighth Soviet amendment the other three delegations would be willing to revise paragraph 3 of the Western draft as follows:

“Recommends further that scientific research should be continued by each State, with appropriate consultation between governments, for methods that would make possible thoroughly effective inspection and control of nuclear weapons materials, having as its aim to facilitate the solution of the problem of comprehensive disarmament.”

9. Regarding the Indian draft resolution it is now our understanding that the Indian delegation will not press paragraph 3 of this draft since the question of an early session of the General Assembly in 1956 will probably be handled in another context.¹¹⁵ To meet the first paragraphs of the Indian draft resolution the United Kingdom, United States and French delegations would be willing to add at the end of operative paragraph 2 of the Western draft resolution the following words:

“And of the Government of India regarding the suspension of experimental explosions of nuclear weapons and an “armaments truce”.”

10. The meeting of officials did not have time to discuss in detail the Indian amendments to the Western draft resolution. At first glance it would appear that a great many of these amendments are inconsequential and can be accepted. The proposal to enlarge the Disarmament Commission and to request the Disarmament Commission to enlarge the sub-Committee can perhaps be deferred temporarily on the grounds that the question of the size of United Nations bodies will have to be reconsidered if the new members are admitted.

11. There will be another meeting of officials tomorrow to consider further the Indian amendments.

12. We indicated general Canadian concurrence with the amendments which were acceptable to the other three Western delegations at the meeting, subject to any comments you may have to make and to further consideration by Mr. Martin.

¹¹⁵ Voir Nations Unies, *Documents officiels de l'Assemblée générale, dixième session, Annexes*, Points 17 et 66 de l'ordre du jour, 6 décembre 1955, p. 8.

See United Nations, *Official Records of the General Assembly, Tenth Session, Annexes*, Agenda items 17 and 66, December 6, 1955, p. 7.

90.

DEA/50189-40

*Le chef de la délégation à l'Assemblée générale des Nations Unies
au secrétaire d'État aux Affaires extérieures*

*Chairman, Delegation to United Nations General Assembly,
to Secretary of State for External Affairs*

TELEGRAM 409

New York, December 8, 1955

CONFIDENTIAL. IMMEDIATE.

Reference: Our telegram No. 402 of December 7.

Repeat London No. 209; Paris No. 142; Washington No. 176.

DISARMAMENT

The four co-sponsors have now agreed on a revised text of the Western draft resolution.¹¹⁶ This revision takes into account those Soviet amendments provisional acceptance of which was indicated in my telegram under reference as well as a number of the proposed Indian amendments tabled in document A/C.1/L.153. and the first two points of the Indian draft resolution regarding experimental nuclear explosions and an armaments truce.

2. Regarding the proposed Indian amendments we agreed that the first amendment quoting a large part of last year's resolution was unnecessary. We accepted the second Indian amendment and the substance of the third Indian amendment. The fourth, fifth and sixth Indian amendments have also to a large extent been embodied in the revised draft. The seventh amendment is no longer applicable in view of a change in our wording to meet a Soviet suggestion. On the eighth Indian amendment, to enlarge the Disarmament Commission and to request it to expand the sub-Committee, we agreed that we could take the line suggested in my telegram under reference, namely that enlargement of United Nations bodies would be considered in the context of the admission of new members.

3. We agreed that we could not accept the eleventh Indian amendment asking the Disarmament Commission to draft a disarmament convention without delay since the essence of the Western approach is that a general disarmament convention must grow out of the detailed work of the sub-Committee. Finally we agreed to accept the twelfth Indian amendment.

4. Our immediately following telegram contains the text of the Western draft resolution as revised to incorporate these Soviet and Indian suggestions. We believe that the changes made in the draft resolution serve to strengthen it and to reduce the opportunities of the Soviet delegation for claiming that we have gone back on earlier positions. We have therefore agreed with the tabling of this revision of the joint draft resolution. The United States and United Kingdom are also ready to table but the French delegation must await word from Paris on the insertion in the new first paragraph of a reference to the Bandung Conference. We hope during the course of the afternoon to ascertain from the Indian delegation to what extent they are satisfied by this revision and whether they will be willing not to press their other amendments.

¹¹⁶ Pour le texte révisé de la résolution, voir Nations Unies, *Documents officiels de l'Assemblée générale, dixième session, Annexes*, Points 17 et 66 de l'ordre du jour, 9 décembre 1955, pp. 10 à 11.

For the text of the revised resolution, see United Nations, *Official Records of the General Assembly, Tenth Session, Annexes*, Agenda items 17 and 66, December 9, 1955, pp. 9-10.

5. There remain about nine or ten speakers in the general debate on disarmament and the Chairman of the First Committee has indicated to us that he expects the disarmament debate to go on until next week.¹¹⁷

91.

DEA/8308-40

Extrait du procès-verbal de la réunion hebdomadaire des directions

Extract from Weekly Divisional Notes

SECRET

Ottawa, December 19, 1955

. . .

1. *Disarmament*

United Nations Division: On December 16, the General Assembly adopted by a vote of 56 in favour, 7 against (Soviet Bloc) and no abstentions, the disarmament resolution approved by the Political Committee on the initiative of the Western members of the Disarmament Sub-Committee (Canada, France, United Kingdom, United States). The Communist countries had been the only opponents of the Four Power resolution in the vote of the Political Committee.

The resolution urges the States concerned and, particularly countries members of the Sub-Committee (1) to continue their efforts towards reaching agreement on a comprehensive disarmament programme and (2) "as initial steps, to give priority to early agreement on an implementation of (A) such confidence-building measures as President Eisenhower's plan for exchanging military blueprints and mutual aerial inspection, and Marshal Bulganin's plan for establishing control posts at strategic centres; and (B) all such measures of adequate safeguarded disarmament as are now feasible" in spite of the technical difficulties which have arisen in regard to the detection and control of nuclear weapon material. The resolution at the same time suggests that account be taken of the French proposals for the exchange of information on military budgets and the allocation of savings resulting from disarmament for economic development, of the Eden proposal for a "pilot scheme" on inspection and control and also of the Indian proposals regarding the suspension of nuclear tests and an "armaments truce".

The final text adopted embodied a number of Soviet and Indian amendments.¹¹⁸ In spite of this, both countries insisted on a number of additional amendments all of which were defeated by a substantial majority. The closest vote was on the Syrian (and Indian) suggestion that the disarmament Commission and the Sub-Committee be enlarged. At the suggestion of the United States the Assembly decided by 35 votes in favour, 18 against and 7 abstentions that the Syrian amendment should not be put to the vote.

¹¹⁷ Le 12 décembre 1955, la Première Commission a adopté par un vote de 53 pour (Canada), 5 contre (bloc soviétique) et aucune abstention le projet de résolution des Occidentaux.

On December 12, 1955, the Western draft resolution was adopted by the First Committee by a vote of 53 in favour (Canada), 5 opposed (Soviet bloc) and no abstentions.

¹¹⁸ Pour le texte final de la résolution adoptée à la 559^e réunion plénière le 16 décembre 1955, voir Nations Unies, *Documents officiels de l'Assemblée générale, dixième session, Supplément N° 19 (A/3116), Résolutions, résolution 914 (X)*, 16 décembre 1955, p. 6.

For the final text of the resolution adopted at the 559th plenary meeting on December 16, 1955, see United Nations, *Official Records of the General Assembly, Tenth Session, Supplement No. 19 (A/3116), Resolutions, Resolution 914 (X)*, December 16, 1955, pp. 5-6.

A United Kingdom motion that no vote be taken on a Soviet resolution under the Soviet item "Measures for the Further Relaxation of International Tension and Development of International Co-operation" was adopted by the Political Committee by a vote of 40 in favour (including Canada), 11 against (including Soviet Bloc, India, Indonesia, Yugoslavia) and 6 abstentions (including Burma, Argentina, Lebanon). The Soviet draft resolution referred *inter alia* to the reduction of international tension as a result of the first Geneva meeting and the Bandung Conference and underlined the importance of the Soviet disarmament proposals of May 10 and July 21, 1955.¹¹⁹ In plenary, the Soviet Union did not ask for a vote on its resolution.

By the adoption of their resolution, the Western members of the Sub-Committee achieved their main purpose of securing General Assembly approval of the suggestion that priority be given by the Sub-Committee to the study of proposals aiming at the establishment of a warning system against a surprise attack and also to disarmament measures susceptible to adequate control. At this stage there are indications that the Sub-Committee will resume its work in February.

...

SUBDIVISION VI/SUB-SECTION VI

ALGÉRIE
ALGERIA

92.

DEA/12177-40

*Note du chef de la Direction européenne
pour le sous-secrétaire d'État aux Affaires extérieures*

*Memorandum from Head, European Division,
to Under-Secretary of State for External Affairs*

CONFIDENTIAL

[Ottawa], August 23, 1955

THE ALGERIAN QUESTION

Thirteen Arab-Asian nations have asked that the Algerian question be inscribed on the agenda of the Tenth Session of the United Nations General Assembly. This question has not been discussed before. The French are almost certain to object and to attempt to rally sufficient support to avert a two-thirds majority in favour of its inscription.

2. We have made a preliminary assessment of this question and I am attaching a paper which reaches the following conclusions:

(a) From the point of view of our interpretation of Article 2 (7) of the United Nations Charter, a discussion of the Algerian question appears to be within the competence of the United Nations.

(b) A discussion at this time of the Algerian question might do more harm than good. It might inspire increased unrest and undermine French efforts to implement constructive policies in North Africa.

¹¹⁹ Pour le texte du projet de résolution soviétique, voir Nations Unies, *Documents officiels de l'Assemblée générale, dixième session, Annexes*, Points 17 et 66 de l'ordre du jour, 12 décembre 1955, p. 10. For the text of the Soviet draft resolution, see United Nations, *Official Records of the General Assembly, Tenth Session, Annexes*, Agenda items 17 and December 12, 1955, p. 9.

(c) Although a vote against inscription might arouse suspicions concerning our sincerity on questions of self-determination, and although the present French policy of assimilation in Algeria is not very realistic, a United Nations discussion might only serve to arouse French resentment while making the situation more difficult to solve.

3. It seems to me that from the point of view of our own interests and those of North Atlantic security the strategic considerations are of first importance. A peaceful situation in North Africa would not only help to secure East-West communications through the Mediterranean and Africa but would also assist France to meet its commitments to NATO and SACEUR.¹²⁰ The Algerian problem is not capable of a quick solution and meanwhile French authority appears to be the only alternative to anarchy and violence. For these reasons I am inclined toward a vote against inscription of the Algerian question, accompanied by a frank explanation that although we recognize the gravity of the situation, a discussion at this time would only serve to increase unrest; in view of the constructive policies and the concessions which brought about a peaceful settlement in Tunisia, we are confident that measures will be introduced and implemented which will satisfy the aspirations of the peoples of Algeria and Morocco. An attitude of this kind would support the French position while putting that country on notice that political reforms must be promulgated in Algeria as well as in Morocco.

4. The situation in Algeria is still very fluid and it is too early to make a firm decision on this question. In addition, it will be necessary to synchronize our attitude with that we decide to adopt on other items of the Assembly agenda such as Cyprus and Morocco. Nevertheless, I would appreciate an indication of your views on this question as a preliminary to sounding out other governments.

5. In the light of alignments on the Tunisian and Moroccan questions at last year's General Assembly, the vote on inscription of the Algerian question is likely to be close and we will be under great pressure from both the French and the Arab-Asians. While my preliminary inclination is that outlined in paragraph 3 above, the situation is changing so rapidly that the instructions to our Delegation should be sufficiently flexible to allow for the possibility of an abstention in certain circumstances or even an affirmative vote if there should be a serious deterioration as a consequence of harsh French repressive measures in Algeria.¹²¹

R.A.D. FORD

[PIÈCE JOINTE/ENCLOSURE]

Note

Memorandum

CONFIDENTIAL

[Ottawa, August 23, 1955]

INSCRIPTION OF THE ALGERIAN QUESTION ON THE AGENDA
OF THE TENTH SESSION OF THE UNITED NATIONS GENERAL ASSEMBLY

Thirteen of the Arab-Asian nations have requested the Secretary-General of the United Nations to include "The Question of Algeria" in the agenda of the Tenth Session of the General Assembly. Although Tunisia and Morocco have been considered at previous

¹²⁰ Voir/See Documents 193, 194.

¹²¹ Note marginale :/Marginal note:

This is a balanced and cogent series of arguments on a very tricky subject. J.W. H[olmes]

Assemblies and a discussion on the latter territory has also been requested at the forthcoming session, this is the first time that the Algerian question has been raised. As a preliminary step it seems advisable to consider our attitude toward inscription of this item.

2. The French Government has consistently opposed discussion at the United Nations of Tunisia and Morocco and has boycotted the pertinent meetings on the grounds that the questions were of domestic jurisdiction. It seems probable that the French representatives will take an even more adamant stand on Algeria because whereas Tunisia and Morocco are protectorates of France, Algeria was conquered by the French in 1830 and is constitutionally a part of metropolitan France. The French will probably insist that Article 2 (7) of the United Nations Charter is applicable:

“Nothing contained in the present Charter shall authorize the United Nations to intervene in matters which are essentially within the domestic jurisdiction of any state or shall require the members to submit such matters to settlement under the present Charter; ...”

Initially, therefore it is necessary to decide whether in our view Article 2 (7) precludes a discussion on Algeria at the United Nations.

3. A United Nations Division's working paper (No. 54/21) in the “Charter Review Studies” examined this question.¹²² The paper summarized the Canadian position in these words:

“In summary it may be said that Canadian policy with regard to Article 2 (7) has been consistently to favour a liberal interpretation i.e. one that safeguards the right to discuss and make recommendations for the peaceful adjustment of any situation, regardless of origin, which is deemed likely to impair the general welfare or friendly relations among nations”.

The paper went on to suggest that the question of whether any given situation was one “likely to impair the general welfare or friendly relations among nations” should decide the competence issue.

4. Consistent with our position on Article 2 (7) we could vote in favour of including the Algerian item on the agenda, if we consider that the situation in Algeria is likely to impair the general welfare or friendly relations. Some observers have suggested that the Algerian situation is potentially even more explosive than that in Morocco and a French Parliamentary investigating commission recently reported that although there were relatively few rebels in Algeria (about 2500) the vast majority of the non-European population condoned or supported terrorist activities. Furthermore, the only logical explanation for the deployment of some 150,000 French troops in Algeria seems to be as a precautionary measure to enable the French to take effective action in the event of a popular uprising. In the first place then, this seems to be a situation likely to impair the general welfare. Is it also likely to impair friendly relations among nations? Although one reason for the Arab-Asian request that Algeria be discussed in the General Assembly is undoubtedly a desire to substitute the Algerian for the Tunisian question which is no longer suitable as a basis for criticising French “colonial” policy,¹²³ there is little doubt that the Algerian situation is affecting friendly relations and that it may be pushed to the point where it will affect them to a greater degree. From the point of view of our interpretation of Article 2 (7) of the Charter which has been stated on several occasions at previous General Assemblies, the Algerian question appears to be within the competence of the United Nations to discuss.

¹²² Non retrouvé./Not located.

¹²³ Voir/See Volume 20, Document 210.

5. On the other side of the problem we could vote against inscription of an Algerian item if we deem a discussion of the question likely to do more harm than good. This facet of our position was explained by the Canadian Representative during the Seventh Session of the United Nations in these words:

“Although I make a distinction between discussion and intervention, I do not, of course, exclude the right of member states to oppose discussion of a question within the competence of the United Nations whenever it considers that a discussion at that particular time would be harmful rather than helpful ... But when a question is really one of timing, the case against discussion should not, it seems to us, be made on the grounds of the Assembly’s incompetence”.

Moreover, during the debate on inscription of the Cyprus item at last year’s General Assembly our Representative maintained that a discussion of the item would not contribute to an improvement of the situation and might well have the opposite effect.¹²⁴ What effect would a United Nations discussion have on the situation in Algeria? On the one hand, there is reason to believe that United Nations discussions on Tunisia and Morocco have helped to force the French hand in those territories and that a discussion on Algeria would bring a smouldering situation into the open, thereby relieving some of the tension and the frustration of Algerian nationalists. On the other hand, it could be argued that a discussion would inspire an increase in rebel activities and general unrest in Algeria, and that it would be prejudicial to the development of constructive French policies not only in Algeria but also in Morocco. (It is too late to turn back in Tunisia). The recent debates in the French Parliament on North African policies showed that the Deputies realized the need for a new approach to the development of France’s dependent territories. Reforms designed to bring the administration into closer contact with the Algerian population and to give the latter a greater say in its government are being planned and implemented. The French Government is also attempting to work out a solution of the Moroccan situation along lines similar to the successful settlement in Tunisia. French reaction to criticism at the United Nations might undermine the tenuous position of French liberals who have given the impetus to these measures. On the whole, it seems evident that a discussion at this time would do more harm than good.

6. There are a few other factors that should be considered in determining our attitude toward inscription of an Algerian item:

(a) The principle of self-determination is involved. The memorandum presented with the Arab-Asian request for inscription stresses that this is the basis of the argument for discussion of the Algerian question. The memorandum states:

“The right of self-determination occupies a position of decisive importance in the structure of the United Nations. In the first Article of the Charter it is specifically enumerated among the purposes and principles of the organization ... The emergence into independence of the peoples of many nations previously dependent is among the most encouraging features of the first decade of United Nations history. On the other hand the denial of the right of self-determination to other dependent peoples or undue delay in its implementation is a potential source of international friction and of concern to the international community”.

¹²⁴ Voir/See Volume 20, Document 135.

In this particular case it might be difficult for us to explain away opposition to inscription of an Algerian item by saying that although we support the principle,¹²⁵ self-determination can be accomplished in many ways, and in questions of methods or timing the administering nation is often in the best position to adjudicate. The Arab-Asian emotional arguments would tend to make such a position appear as an equivocation thinly concealing sympathy for "colonial" policies. The French Parliamentary commission which investigated conditions in Algeria frankly revealed the serious shortcomings of the French administration and the political, economic and social discrimination against the indigenous inhabitants. In this light if we adopt a weak position on this question of principle, we might endanger our carefully cultivated reputation for objectivity in discussions on trust and dependent territories and we would run the risk of being classed as a "colonial" sympathizer or an unconvinced advocate of self-government.

(b) It is difficult to see how the French can continue indefinitely to insist that Algeria is an integral part of metropolitan France and that eventually the population will be assimilated. In the short run this position can only be maintained by force and there is evidence that, to a considerable degree, the necessary armed forces must be found at the expense of France's commitments to NATO. There is no doubt about the strategic importance of a peaceful situation in North Africa in order to ensure East-West lines of communication. Nevertheless, so far as NATO is concerned the threat of aggression is not from North Africa and adequate forces must be deployed in Europe to deter and if necessary combat aggression. In the long run the present French North African plans which grant autonomy to Tunisia and hold out the same prospect to Morocco while denying it to Algeria, do not seem sound. From this point of view it might not be desirable to support an untenable French position which will tie down a large part of the French armed forces for an indefinite period. A discussion of the problem during the forthcoming General Assembly might convince the French that Algeria must eventually be given self-government and that the present military and political situation in that territory is unrealistic.

(c) Finally, the French would strongly resent a Canadian vote in favour of discussing the Algerian question. In a recent despatch† our Embassy in Paris pointed out:

"The French are very sensitive about North Africa. They are perfectly aware that all is not well and much remains to be done. Lest they forget, they are reminded every day of their shortcomings by their own compatriots in the press and through other media of information."

It is one thing for us to draw a careful distinction between a United Nations "discussion" and United Nations "intervention" in Algeria, but it is quite another to keep a discussion and eventual recommendation from becoming intervention. Overt and implied criticism of French policies would be inevitable during a debate on Algeria and this might be particularly unfortunate at a time when the French Government is courageously endeavouring to overcome strong political opposition to progressive policies in Morocco. This consideration probably outweighs any advantages that might be gained in relations with the Arab-Asian nations if we were to support the request for inclusion of this item on the agenda. It probably also over-shadows the negative thought that whatever the progressive intentions and plans of the French Assembly, the latter has never been noted for its consistency and it is questionable how long the present Government and its North African policies may survive.

¹²⁵ Note marginale :/Marginal note:

Do we? as a right? [auteur inconnu/author unknown]

7. In summary, according to our interpretation of Article 2 (7) of the Charter, a discussion of the Algerian question is within the competence of the United Nations. However, a discussion at this time might do more harm than good. A vote in favour of inscription would annoy and embarrass France and might contribute to additional unrest in Algeria and Morocco. A vote against inscription would run the risk of suspicions concerning our objectiveness and sincerity. An abstention would involve substantial elements of the objections on both sides of the question.

93.

DEA/12177-40

*Note du sous-secrétaire d'État aux Affaires extérieures
pour la Direction européenne*

*Memorandum from Under-Secretary of State for External Affairs
to European Division*

CONFIDENTIAL

[Ottawa], September 6, 1955

THE ALGERIAN QUESTION

I am seriously concerned over French policy in North Africa. French North Africa is of considerable if not vital interest to us militarily and politically because of our particularly close association with France and of our NATO relationship. Further, any serious disturbances in North Africa can upset the Strategic Air Command.

2. Personally, I believe that the policy of the French Government in North Africa during the last few years has been unimaginative, erratic and at times unrealistic. In the long run, it could have disastrous effects. We can pretty well foresee the results of a repressive policy: bloodshed, chaos and the eventual setting up of weak, independent states partly run by the Arab League. It is in our interest that such developments be avoided. On the other hand, there is little we can do directly. The solution can only be found in continued cooperation between the French and the North Africans. The pattern set for Tunisia is important in this respect. The French will not let go this — the last important — part of their empire and I don't think they should if it is possible for them to find ways to retain a type of control in defence and foreign affairs acceptable to the North Africans. Over the years — but I think within our own generation — the whole African Continent will be attaining a measure of self-government which will profoundly influence the balance of power in the world. If something goes wrong, developments there could seriously weaken what is now called the West. Within this context, French policy in North Africa as well as British policy in its colonies not to mention developments in South Africa are most important.

3. As pointed out earlier there is little we can do to help the French although I hope that anything we need do in connection with debates at the United Nations on the Moroccan, Tunisian and Algerian issues will be as constructive as possible. Directly, it would be inappropriate and undesirable for us to try to influence the French, although we might be more forthcoming in participating in technical assistance projects. (Our technicians might be as welcome there as they seem to be in Indochina). Indirectly, and mostly through the United Nations but possibly in due course also through NATO, we should show considerable understanding of the difficulties with which the French are faced and bear in mind the importance of that region for the whole of the NATO structure. It would not be in our interest at this stage in world affairs that French power be shaken and French power would be shaken considerably were present disturbances in its North African empire to continue for any length of time.

4. Bearing those general considerations in mind, the attached memorandum, dated August 23, on the Algerian question appears to suggest a fairly well balanced policy. I think it could be used as a basis on which to build our line of approach for the General Assembly.¹²⁶ We should consult Washington in the very near future; their stand on the North African issues will be very important particularly if they decide to try to keep in line the more irresponsible Latin American countries.

J[ULES] L[ÉGER]

94.

DEA/8508-40

Extrait du procès-verbal de la réunion hebdomadaire des directions

Extract from Weekly Divisional Notes

SECRET

Ottawa, October 3, 1955

...

2. Algeria and the United Nations

European Division: France has withdrawn its delegation to the United Nations General Assembly in protest against the Assembly's decision (by one vote) to discuss the Algerian question. When Mr. Pearson arrived in Paris en route to Moscow two days after the vote, he was asked for the views of the Canadian Government on the Algerian decision. The Minister replied in part:

"I can only say that we opposed and regret this unfortunate decision to inscribe on the agenda a question which, under the Charter, falls so clearly within the domestic jurisdiction of France. Decisions of this kind can, in our view, only harm the United Nations, without advancing the cause of freedom and self-government in whose name they are made".

Although France will remain on the Security Council and the Sub-Committee on Disarmament, it is not clear whether the French intend to absent themselves from the entire session. Some delegations that had voted in favour of inscription are already having second thoughts. The French Government is particularly disturbed by the fact that two NATO countries, Greece and Iceland, had not voted against inscription of the Algerian item.

The Assembly rejected the General Committee's recommendation against inscription by a vote of 27 (including Canada, the United States and the old Commonwealth countries), to 28 (including the Afro-Asian nations and the Soviet bloc) and 5 abstentions. The Latin-American nations were split. The highlight of the debate was a dramatic intervention by the Belgian Foreign Minister, M. Spaak, who said that the very existence of the United Nations and of the continuation of the "spirit of Geneva" were threatened by this attempt to inquire into questions which were "clearly of domestic jurisdiction". After the vote the leader of the French delegation, M. Pinay, stated that the United Nations and not France

¹²⁶ Voir/See Document 1.

would have to face the consequences of this clear violation of Article 2 (7) of the Charter. The French delegation then walked out.¹²⁷

...

SUBDIVISION VII/SUB-SECTION VII

REPRÉSENTATION DE LA CHINE
REPRESENTATION OF CHINA

95.

DEA/5475-EJ-40

*Note du sous-secrétaire d'État aux Affaires extérieures
pour le secrétaire d'État aux Affaires extérieures*

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

SECRET

[Ottawa], August 15, 1955

CHINESE REPRESENTATION IN THE UNITED NATIONS

The attached telegram from the Permanent Delegation to the United Nations† outlines a United Kingdom proposal to change the wording of the moratorium resolution, which was adopted at the Sixth, Seventh, Eighth, and Ninth Sessions, postponing consideration of the question of Chinese representation at the General Assembly for the current year. The United Kingdom is concerned lest a resolution along the lines of the one adopted at the Ninth Session (“The General Assembly decides not to consider at its Ninth Session during the current year any proposals to exclude representatives of the Republic of China or to seat representatives of the Central People’s Government”) might be adopted only with a reduced majority, the psychological effects of which might be harmful to the Western position. The United Kingdom, therefore, offered “as a very tentative suggestion” that the resolution be re-worded to read that (“The General Assembly decides that the time has not yet come to consider, etc.”). While Wadsworth of the United States delegation is apparently also concerned about the possibility of a reduced majority in support of the moratorium, he said that he did not think that the State Department would like the United Kingdom proposal. However, Crosthwaite of the United Kingdom delegation told a meeting of old Commonwealth representatives that the United Kingdom did not intend making an issue out of the wording of the moratorium resolution. The United Kingdom was not formally committed to supporting the moratorium resolution, whatever its wording, but he was sure that it had every intention of doing so. Finally, the United Kingdom would like our views on the wording of the resolution, and on the substantive question whether there should be such a resolution to dispose of the question of Chinese representation.

2. There are many disadvantages to a moratorium resolution, whatever its wording. It is a delaying tactic which does nothing to solve the problem at issue at a time when many

¹²⁷ Le 25 novembre, l'Assemblée générale convenait de ne pas examiner la question algérienne, amenant ainsi la délégation française à réintégrer l'Assemblée. Pour de plus amples renseignements, voir *Le Canada et les Nations Unies 1954-55*, Ottawa : Imprimeur de la Reine, 1956, pp. 19-20.

On November 25, the General Assembly agreed not to consider the Algerian question and, as a result, the French Delegation returned to the General Assembly. For additional details, see Canada, Department of External Affairs, *Canada and the United Nations 1954-55*, Ottawa: Queen's Printer, 1956, pp. 18-20.

countries believe that the time is becoming ripe to attempt its solution, or at least to explore avenues which may lead to some satisfactory result. Since the moratorium resolution has been used as a tactical device since the Sixth Session, its reintroduction this year may give the appearance that on this particular issue the West is being intransigent. We should try to avoid a split on the issue that takes the form of the Soviet bloc plus the non-involved Asian nations against the West. The nations of Asia may consider with some justice that since the Bandung Conference and the other signs of an improved atmosphere for negotiation, the West should make an effort to modify its position. In such circumstances, the maintenance of our previous stand on the question of Chinese representation may give a semblance of validity to the Chinese claim that the Western countries are trying to avoid the discussion of Far Eastern problems, especially since Mr. Dulles has in fact been cool to the idea of a Far Eastern Conference at this time in spite of the fact that the Indians (as well as the Chinese) have supported the idea.

3. From our own point of view, a modification of our stand may be desirable. If the Chinese can be convinced that our desire to move forward, and eventually to evolve a satisfactory pattern of relations with them, is sincere, then they may themselves be encouraged to make some concessions on fundamental problems. It is admittedly arguable whether we should make any concessions, and the State Department believes that the recent Chinese moves do not call for any counter-moves by the United States. When the matter is looked at objectively, this is undoubtedly so. The Chinese treatment of Colonel [John K.] Arnold [Jr.] and of the others in his group betrays a complete disregard for the individual, and the mildness of the United States reaction to the account of the tortures they underwent is remarkable.¹²⁸

4. Nevertheless, if, as President Eisenhower said at San Francisco, we should not overlook any opportunity to promote the chances of peace,¹²⁹ then we should also be prepared to make concessions if only to avoid the re-occurrence of such an atmosphere of crisis as that which prevailed last winter and spring. We should take into account that the Chinese may themselves be pushed back into intransigence by what they consider to be intransigence on our part, an eventuality which is not unlikely in view of the gulf which still separates them from us. In these circumstances the United Nations may be the most appropriate forum for us to make known new proposals, since it is almost unanimously admitted that the admission of Communist China to the United Nations is inevitable, given the continued avoidance of a general war. Concessions made at this time would, therefore, not change the long term result, while their political value on our relations with the Asian countries (not to speak of the Chinese) would be much greater if made now than if postponed. In any case, we might at least consider other alternatives which would avoid the question of a vote on a moratorium resolution.

5. At the Fifth Session, our Delegation proposed the appointment of a committee to consider the question of Chinese representation in the United Nations and make recommendations on the issue.¹³⁰ This proposal was adopted, but the committee was not able to agree, and the Assembly took no further action. However, since the conditions leading to successful negotiation seem to be more hopeful now than they were in 1949-50, it is not

¹²⁸ Voir/See *New York Times*, August 11, 1955.

¹²⁹ Pour le texte intégral du discours d'Eisenhower, voir United States, Department of State, *Bulletin*, Volume 33, No. 836, July 4, 1955, pp. 3-6.

For the full text of Eisenhower's speech, see United States, Department of State, *Bulletin*, Volume 33, No. 836, July 4, 1955, pp. 3-6.

¹³⁰ Voir/See Volume 16, Document 254.

certain that the result of a similar committee's work would be failure as it was on the previous occasion, and it would seem to be more desirable to have the question discussed in a United Nations context than outside it as at present. The resolution setting up such a committee might take the following form: "The General Assembly decides to set up a Committee empowered to hold hearings on the question of Chinese representation within the United Nations, and to receive the views of the delegate of the Republic of China and of representatives of the Central People's Government as well as those of any interested member of the United Nations". The committee might be instructed to circulate a written report by a certain date (say May 30) embodying the result of its discussions, but it need not be instructed to make firm recommendations. It is difficult to say what would be the chances of acceptance of such a plan, and in any case our immediate object should be to try to gain the adherence of our friends to the proposal, whose main advantage would be to overcome the defects of the moratorium.

6. On the attitude to be taken by the Western nations and ourselves in the work of such a committee, we might propose as a partial solution of the problem that the General Assembly take preliminary action by de-recognizing, in effect, the delegation of the Republic of China and making clear that it only considers the Republic of China as qualified to speak for Formosa pending a solution of the problem regarding the island's final disposition. While such a proposal would not solve the problem entirely, it would have the effect of demonstrating our willingness to work towards a solution and would be an effective first step in that direction. It would at the same time clear up the illogicality of the present position of the delegation of the Republic of China.

7. The advantages of action of this kind in the General Assembly would be the following:

- (1) It would prepare the way for further progress on the issue.
- (2) It would make more logical the position of the Nationalists in the United Nations.
- (3) It would gain time in the hope that the recent favourable developments in the Far East would continue, and so prepare Canadian and American public opinion for eventual recognition of Communist China.
- (4) It would demonstrate our willingness to seek solutions to the problems at issue and to abandon the *status quo*.
- (5) It would not be a concession on a matter of principle, since it is generally admitted that the Chinese will eventually be admitted to the United Nations. On the other hand, the effect on the non-involved countries of such preliminary action at this time would be greater than if we postponed it.
- (6) It would mark progress towards a *de facto* solution of the China problem along "two Chinas" lines.
- (7) Although it might be objected that the time is not yet ripe for re-opening the question, it was not in fact ever closed. Our proposal would simply return it to its United Nations context.

8. The disadvantages are the following:

- (1) The proposal might be too far-reaching to be accepted by the United States at this time.
- (2) The Russians themselves might prefer a straight vote on a moratorium in order to emphasize the split between Asia and the West on the issue. However, if we managed to convince India of the soundness of our approach, the Russians might be forced to accept a compromise.

(3) Discussion of the question now in the United Nations, by exacerbating the problem, might retard its solution.

9. Although these suggestions may on further examination appear to be quite impracticable, they may have the merit of interesting some of the other Western delegations (especially the French) and so start a current of opinion in favour of going beyond the present unsatisfactory situation. Discussion with other delegations could also turn up alternative proposals. In any case such discussion would be salutary, and especially if it could be made clear to the United States that some of their allies are unhappy about the device of the moratorium resolution.

10. If you agree with this approach, we might then engage in discussions with the United States and other delegations in order to see how far we can proceed with our proposal.¹³¹

J. L[ÉGER]

96.

DEA/5475-EJ-40

*Le représentant permanent auprès des Nations Unies
au secrétaire d'État aux Affaires extérieures*

*Permanent Representative to United Nations
to Secretary of State for External Affairs*

TELEGRAM 508

New York, September 8, 1955

CONFIDENTIAL

PRE-ASSEMBLY TALKS — CHINESE REPRESENTATION

At the invitation of the Australian Mission members of the whole Commonwealth met yesterday afternoon at the former's offices to discuss the main items on the Assembly's agenda for the Tenth Session. We propose to report on the items separately and in the order in which they were discussed.

2. Regarding the above-mentioned subject Crosthwaite of the United Kingdom Delegation said that as yet they had no reply on their proposal to change the wording of the moratorium resolution adopted at the last four sessions of the Assembly. His feeling was that the Foreign Office would once again rally itself to the United States views that last year's wording was possibly still the most acceptable at this stage.

3. While both Australia and New Zealand agreed in their general remarks with the view which you expressed in Vancouver on August 25,¹³² they still felt that the time was not yet ripe for the Assembly to agree to a change in the moratorium resolution, such as proposed by the United Kingdom. The South Africans reported that Pretoria saw no particular advantage in the United Kingdom formula. According to Australia, Thailand reported that

¹³¹ Note marginale :/Marginal note:

I have no objection to such discussions on an exploratory and non-committal basis at this time. Mr. Martin should first be consulted and he may wish to have a word with the Prime Minister. L.B. Pearson]

Le 19 août, une copie de cette note a été envoyée à St-Laurent, Martin et la Délégation permanente à New York.

On August 19 a copy of this memorandum was sent to St. Laurent, Martin and the Permanent Delegation in New York.

¹³² Voir/See Document 749.

notwithstanding the Bandung Conference the Asian Powers would be quite prepared to abide again this year with the status quo.

4. On the question of procedure, the United Kingdom Delegation hope that the Secretariat will brief the new Assembly President sufficiently well in advance that he may dispose summarily of objections such as those voiced by Krishna Menon last year (our telegram No. 8 of September 21, 1954, refers), by calling an immediate vote in accordance with rule 93 of the first proposal which might be made in plenary with respect to the question of Chinese representation.

R.A. MACKAY

97.

DEA/50055-B-40

*Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis*

*Secretary of State for External Affairs
to Ambassador in United States*

TELEGRAM 1559

Ottawa, September 9, 1955

SECRET

Reference: Your telegram 1511 of September 6.†
Repeat London No. 1458.

RECOGNITION OF COMMUNIST CHINA

The United States Ambassador has now made the *démarche* forecast in your telegram. He placed most of the emphasis, however, on the undesirability of a shift in our policy regarding Chinese representation at the United Nations rather than the prospect of Canadian recognition *per se*.

2. The gist of what I have told Mr. Stuart is given below, but I should be grateful if you would also take an early opportunity to convey these views to the State Department at an appropriate level.

3. I do not consider that the argument for recognition of Peking at once has yet been established, and Cabinet has not yet considered the matter. What I said at Vancouver was that the atmosphere for a searching and comprehensive re-examination of the whole subject seemed more favourable than for a long time and that to some degree this had been brought about by the exercise of restraint on the part of the Chinese Government itself. There still seem to be many factors counselling delay as well as the reverse, and important among these is the need to settle before hand on a generally acceptable policy regarding Chinese representation in the U.N.

4. Logically any move on our part towards recognition of Peking should be accomplished by a change in our policy in the direction of supporting their claim to membership. Illogical and undesirable as it may be, however, the two questions can be separated: one has only to note the policy of the United Kingdom Government for a demonstration of at least the technical feasibility of extending recognition while at the same time withholding support at the United Nations. The probability is that we shall not be ready to decide one way or the other on the recognition question for some time, and in the circumstances the State Department need not worry too much about our policy diverging from theirs suddenly and without warning.

5. I did not mention to Mr. Stuart our doubts about the wisdom of the moratorium resolution as a solution for the Chinese question this year, but I think no harm would be done if you brought this up in conversation with the State Department. Moratorium has always had obvious disadvantages, and the tendency is for them to become more serious as time passes. We have now supported it through four General Assemblies, and while there may well be no alternative to doing so again, I am concerned about the possibility that on this particular issue we and our allies are beginning to look intransigent. If a way could be found to avoid a split on an issue which takes the form of the Soviet bloc plus the non-involved Asian nations against the West, we should certainly welcome it. On the other hand, we understand perhaps better than anyone else the implications of this question for American domestic and foreign policy, and you could indicate that while we are continuing the search for a better solution than moratorium, no clearly acceptable alternative has yet come to light.¹³³

[L.B.] PEARSON

SUBDIVISION VIII/SUB-SECTION VIII

ÉVALUATION

ASSESSMENT

98.

DEA/5475-DW-39-B-40

*Le représentant permanent auprès des Nations Unies
au sous-secrétaire d'État aux Affaires extérieures*

*Permanent Representative to United Nations
to Under-Secretary of State for External Affairs*

LETTER NO. 64

New York, January 18, 1956

CONFIDENTIAL

TENTH SESSION OF THE GENERAL ASSEMBLY

Attached is a delegation assessment of the tenth session of the General Assembly. This assessment is concerned mainly with the proceedings in the political committees of the General Assembly but it includes remarks concerning the work of the other committees. The comments concerning the other committees are based on assessments made by officers who were members of the Delegation to the General Assembly but who have since returned to the Department.

2. We had intended to include at the end of this paper an assessment of the prospects for the eleventh session, arising out of the tenth, but because of the length of the assessment in

¹³³ Le 20 septembre 1955, l'Assemblée générale des Nations Unies a décidé de maintenir le moratoire pour une autre année, par un vote de 41 pour (Canada), 10 contre et 7 abstentions. Voir le document suivant. Concernant les différences de vues entre le Canada et les États-Unis sur le problème de la représentation de la Chine, voir les documents 748, 752-756.

On September 20, 1955, the United Nations General Assembly voted 41 in favour (Canada), 10 opposed and with 7 abstentions, to continue the moratorium for another year. See following document. On the differing attitudes of Canada and the United States to the problem of Chinese representation, see Documents 748, 752-756.

its present form, I decided we might more profitably examine next year's prospects in a separate memorandum.

R.A. MACKAY

[PIÈCE JOINTE/ENCLOSURE]

Évaluation

Assessment

CONFIDENTIAL

DELEGATION ASSESSMENT OF THE TENTH SESSION OF
THE GENERAL ASSEMBLY

This assessment is intended to be general in scope with specific reference only to some of the more important questions which were discussed at the tenth session. The aim is to re-create, as far as possible, the atmosphere of the recent Assembly and thus to provide a suitable background for the detailed reports which the Delegation has prepared on the various agenda items. The present assessment is, moreover, designed to place in perspective the broader political issues, which although not formally on the Assembly's agenda, influenced to a large extent the debates not only in the political committees but in almost all the committees of the Assembly.

The Geneva Spirit

2. At the opening of the tenth session two extraneous factors helped to shape the attitudes of the majority of delegations. One was the widely heralded "spirit of Geneva" which had emanated from the meeting of Heads of Government in July; the other was the impending meeting of the Foreign Ministers, who were to meet about the half-way mark in the scheduled timetable for the tenth session. The first factor stimulated a strong hope that the tenth session would prove to be a turning-point in the struggle to achieve the aims and purposes of the United Nations Charter; the second provoked a tendency to hold in suspense the Assembly's discussion of the clearly controversial items on its agenda. The general desire of delegations seemed to be to preserve the "Geneva spirit" as long as possible and in order to do this members of the Assembly were prepared to postpone the potentially bitter debates until after the Foreign Ministers had had an opportunity to pursue in detail the directives issued in July by the Heads of Government.

3. Accordingly the statements in the general debate rang with abundant and cheery references to the improved international situation. These speeches were on the whole conciliatory in tone and in many cases too blatantly optimistic. There was a noticeable absence of propaganda as between the Western and Communist speeches and a widely voiced appeal was made to all protagonists to moderate the advocacy of their pet causes. Except for some discordant notes in later stages of the session, the avoidance of extreme propaganda by spokesmen for the two main camps prevailed, a significant and welcome change from previous sessions. The Soviet speakers, in particular, seemed at pains not to provoke the acrimony of cold-war debating at the United Nations. This did not prevent them from pointing out, whenever the opportunity arose, the superior qualities of Soviet communism and the shortcomings of other ways of life. In the Second Committee, for example, they deplored the alleged discriminatory trade practices of the Western democracies against the countries of Eastern Europe.

4. Of course these developments were more pronounced before than after the Foreign Ministers' meeting, which produced flatly negative results as regards the two most important subjects on the agenda of the tenth session — disarmament and the admission of new members. After that meeting, however, there was no clear-cut return to cold-war tactics by anyone concerned. Perhaps it became less appropriate to refer glowingly to the new era of *rapprochement*. The antics of Bulganin and Khrushchev in Asia added to the doubt and dismay about East-West relations but there seemed to be little inclination to draw the lines for a renewed cold-war struggle in the Assembly. Co-existence, by then clearly recognizable as competitive rather than co-operative co-existence, continued as the alternative to be preferred. Exchanges between the United States and Soviet representatives became more frequent and perhaps less restrained than earlier in the session but the debates continued to be moderate on the whole. Clearly distinguishable, however, in the proceedings after the Foreign Ministers' talks was the acute disappointment of many delegations about the rapid evaporation of the "Geneva spirit" in which the tenth session had been launched.

5. Notwithstanding the disappointment on that score, there seemed to be some satisfaction among delegations at the end of the session that this year the General Assembly had been able to produce positive results of considerable importance and that the United Nations had been strengthened in the process. The withdrawal from the rim of thermonuclear hell which had begun by the time of the ninth session was clearly continuing at the tenth, notwithstanding the halting steps and backward glances. The tenth session could take some pride in the admission of sixteen new members, the unanimous approval of the resolutions on peaceful uses of atomic energy and on the effects of atomic radiation, and the relative calm in which the colonial questions were discussed and disposed of — at least for the time being. Therefore, it is perhaps a fair conclusion that the tenth session of the Assembly, particularly when compared with the Assemblies between 1948 and 1953, did show the most promise since the founding of the United Nations that the organization might survive to fulfill its high purposes.

Disruptive Influences

6. Notwithstanding the happier side, the tenth session did reveal ominous signs of divisions which could wreck the United Nations. It was paradoxical, for example, that the session which succeeded in breaking the deadlock on new memberships witnessed the withdrawal from the Assembly of two important members. The implications of the French¹³⁴ and South African walk-outs could be far-reaching, if they were held to be precedents for the proposition that any member who should find the Assembly's discussion distasteful to him could on short notice withdraw from the session. There seems little doubt that the French walk-out was unnecessary and that the situation which provoked it could have been avoided; that the South African walk-out was premature and poorly performed. Neither of these acts added to the stature of the United Nations; both, but particularly the French withdrawal, caused grave embarrassment to many other delegations; neither eased the burden of the colonial questions which weigh heavily on the Assembly's agenda.

7. The Governments of France and South Africa may have hoped by withdrawing their delegations to dissuade the anti-colonial powers from pressing what they consider to be legitimate causes. There seemed to be little likelihood that those tactics would ever succeed. The new nations in Asia and Africa are clearly determined to press for the political and economic independence of all kindred peoples. The resolve to eradicate political domination by the white race of peoples of the coloured races is at the heart of all the problems

¹³⁴ Voir la subdivision vi./See Sub-section vi.

facing the United Nations and lumped under the general heading of "colonial issues". (This explains the coolness of the Afro-Asians to the Greek side of the Cyprus issue.)¹³⁵ This aim was pressed energetically not only in the political committees but in the Third and Fourth Committees where the questions of self-determination and colonial exploitation arose in several forms. Legal and historical arguments hardly prevail against the strong emotion which that broad issue evokes. Nor does it help to remind the Afro-Asians about the backwardness in some of their own countries. Threats of walk-out and the actual withdrawal of delegations from the Assembly are equally ineffective. Some of the Afro-Asian delegations have recognized that a succession of withdrawals would weaken and perhaps wreck the United Nations but for the anti-colonialists the organization is not worth preserving, if it cannot deal with the urgent problems of colonialism.

8. For their part the colonial powers (and indeed others interested in the orderly development of the United Nations) cannot accept the contention that the General Assembly should have a free hand to re-organize the various colonial areas of the world or even to exert undue influence on the course of events there. The problem seems to be to persuade the anti-colonial powers that these complex problems cannot be settled arbitrarily, and certainly not by the decisions of chance majorities in the General Assembly, in complete disregard of the rights of the colonial powers and of their citizens. At the same time a division on these matters between the two main racial groups — white and coloured — must be avoided.

9. At the tenth session there were some indications that the Afro-Asians as a group were aware of that problem. This was illustrated in painstaking negotiations to bring about a return of the French Delegation, an accomplishment which required the co-operation, perseverance and tact of many delegations. The Afro-Asians were equally reasonable in their attitude toward the questions of Morocco and West New Guinea, the plebiscite in British Togoland, and the treatment of people of India origin in South Africa. They showed that they were prepared to make temporary concessions in the interests of wider harmony but without abandoning in any way the colonial causes which they had espoused. The Afro-Asians undoubtedly sensed that the General Assembly was in no mood this year for repetitious debates on the perennial items, that it would resist all but the most innocuous resolutions and that the colonial questions could be raised with renewed vigour at future sessions. Accordingly the calm and reasonableness with which the tenth session dealt with the colonial issues were more likely the marks of shrewd and responsible judgment than indifference or faint-heartedness on the part of the Afro-Asians.

10. On one issue there was no compromise and no conciliation. It had been earlier supposed that the item on Palestine refugees might be dealt with at the tenth session almost as an administrative and budgetary matter. The hope was that the political complexities of the Palestine question would not be touched upon. These illusions were shattered shortly before the tenth session began by the renewal of border violence along the Gaza strip and later by the announcement that Czechoslovakia had negotiated with Egypt for the supply of arms from the communist world.¹³⁶ These developments provoked sharp reactions in the Middle East and elsewhere and by the time the Palestine refugee question came up for discussion in the Ad Hoc Political Committee Arab-Israeli tension was as grave as any time since 1948. Accordingly the debate was a prolonged and bitter exchange of invective and accusation which encompassed every aspect of the Palestine impasse.

¹³⁵ Voir le Volume 20, chapitre II./See Volume 20, Chapter II.

¹³⁶ Voir/See Document 552.

11. The Committee was, however, not prepared to tackle the broader issue, particularly since it now seemed to involve a head-on collision between the Western democracies and the Soviet Union. The draft resolution, which concentrated on the administrative problems of continuing the work of the United Nations Works and Relief Agency was passed in the face of Arab objection and the item was thus disposed of, although the situation in the Middle East grew worse with new armed clashes between Israel and Syria and rumours that the Soviet Union's excursion into Middle East politics would be extended to include assistance to Syria and Saudi Arabia. These Soviet manoeuvres seemed clearly designed to counteract the Baghdad Pact which during the Assembly began to assume more concrete form. In this endeavour, the Soviet Delegation had a willing ally in Krishna Menon, who in the disarmament debate so strongly attacked the "bad-bad pact", among others, that he drew fire from the representatives of Iraq, Pakistan and Turkey.

12. Another source of division was the noticeable failure of the Western Powers to coordinate their policies on some important subjects. The impasse in the election of the third non-permanent member to the Security Council derived from a difference between the United States and United Kingdom which remained unresolved at the end of the Assembly and which made necessary the highly questionable solution by lottery of the deadlock between the Yugoslav and Philippine candidatures. The Western Great Powers managed only at the last moment to correlate their policies on disarmament. The inflexibility of the United States position on the peaceful uses of atomic energy nearly caused a split in the Western ranks. The most serious divergence, however, arose in the consideration of the admission of new members. The combined result of these divisions within the Western group was undoubtedly damaging to Western interests and a considerable advantage to the Soviet Union. As in the past, the Soviet Delegation, notwithstanding their smiles and restrained conduct in debate, showed no disposition to forego any opportunity which came their way to embarrass the Western democracies.

13. Nevertheless, the Western Powers held together in their attitude toward Chinese representation in the General Assembly. They succeeded in maintaining majority support for the contention that no change in that representation should take place during 1955. In the plenary session on September 20 the United States draft resolution deferring action was adopted by a vote of 42 in favour, 12 against with 6 abstentions. Notwithstanding this success, the United States Delegation were most concerned about the prospects for the eleventh session. Their attitude toward the admission of new members was governed to a large extent by their fears about Chinese representation. They were, of course, particularly concerned about the effects of the veto by Nationalist China of the application of Outer Mongolia. Even though the harmful (from the United States point of view) effects of that veto were offset by the eventual admission of sixteen new members, the United States Delegation continued to view with alarm the prospects for an early reconsideration of the Chinese representation issue. They, of course, had very much in mind the forthcoming election campaign in the United States.

Role of Various Delegations

14. Perhaps as at no other Assembly the most striking development in relations between delegations at the tenth session was the shifting of the traditional voting alliances. The Soviet Delegation tried to make friends with practically every other delegation except that of the United States. The Soviet representatives worked in conjunction with the United Kingdom Delegation for the election of the third non-permanent member to the Security Council. The Soviet bloc was more closely aligned with the twenty-seven co-sponsors of the draft resolution on new members than were the United States, France or Belgium. Dur-

ing the proceedings on the peaceful uses of atomic energy and on the effects of atomic radiation the Soviet bloc most frequently voted with India and some of the Arab States. On the colonial questions the Soviet representatives maintained their traditional support for the anti-colonial powers.

15. The United States Delegation, on the other hand, tended to be isolated from the majority of other delegations. It seemed to have lost its ability to mobilize supporters. It salvaged little from the proceedings on the admission of new members and found itself among a very small group of abstainers in the voting. The United States position on the peaceful uses of atomic energy and on the effects of atomic radiation came under heavy fire, not only from Krishna Menon but from other Asian, Latin American and Scandinavian representatives. To win acceptance the United States position on disarmament had to be modified considerably, although the resolution which was finally adopted gave priority in future consideration of the problem to President Eisenhower's proposal. The United States suffered a further setback in the proceedings on Charter review, since clearly a committee of the whole is much less likely to agree than the smaller committee originally envisaged on the holding of an early conference. In the Fifth Committee the United States succeeded, but only with difficulty, in having adopted its proposal providing for the review, in certain cases, of decisions of the United Nations Administrative Tribunal.

16. Ostensibly the Afro-Asian group appeared more closely knit than at earlier sessions. The Bandung Conference undoubtedly had a unifying influence as regards Afro-Asian policies at the General Assembly. Nevertheless there was ample evidence, both in the debates and behind the scenes, that the Afro-Asians have their own differences about aims and the leadership of the group. Notwithstanding the public attention with Krishna Menon received as the leading spokesman for the Afro-Asians, it seems very clear that he is not so accepted by all members of the group. His attempts to steal the limelight were undoubtedly resented by the representatives of such countries as Burma, Egypt, Iran, Iraq and Pakistan.

17. The Latin American solidarity was much less in evidence at the tenth session. The Latin American caucus split eleven to nine on the election to the Latin American seat on the Economic and Social Council. The more responsible Latin delegations, those of Brazil, Chile, Colombia, Ecuador and Mexico, showed a desire to approach the colonial issues with less emotion than in the past. These delegations proved themselves in some of the delicate negotiations behind the scenes on such matters as the return of the French Delegation, the admission of new members, the peaceful uses of atomic energy. The President of the Assembly [José Maza] also contributed to the success of the manoeuvring off-stage.

18. A development of some significance was the unwillingness of many delegations to accept blindly the leadership of the Great Powers. In informal discussions Krishna Menon repeated his earlier pronouncement that agreement between the Soviet Union and the Western democracies did not necessarily mean that the whole world was in agreement. Menon, however, learned in the proceedings on atoms for peace that because he and the Soviet Union happened to agree with the Western Powers, the rest of Asia did not necessarily concur. The Scandinavians too demonstrated their independence in that regard. The delegations of the middle and small powers showed, moreover, that they were not prepared to accept meekly the stalemates resulting from Great Power disagreement. The pressure for the admission of the largest possible number of new members developed as a minor power movement which began in the face of varying opposition from all the Great Powers, although the Soviet Union was quick to take advantage of the situation. To a lesser extent the debate on disarmament produced similar results; there were clear signs of impatience among the smaller powers that the Great Powers had made so little progress in the matter.

19. This "small power revolt", as some press correspondents have described it, may well have resulted from the indecisiveness and an indifference which characterized the conduct at the tenth session of all the delegations from the Great Powers. Probably, because of preoccupations elsewhere, they offered practically no leadership at the Assembly and seemed reluctant to come to grips with controversial problems. The Soviet Delegation was amiable but not particularly aggressive in pursuing its aims. The United States Delegation shuttled between arrogance and despair. The United Kingdom Delegation appeared vacillating on many subjects. The French were absent for most of the Assembly. The Chinese Nationalist showed as much dignity and forthrightness as any of the Great Power delegates but only on the one subject. It was no accident, therefore, that the leading roles at the recent Assembly were played by representatives of the lesser powers. Sir Leslie Munro, Krishna Menon, Mr. Martin, Sir Percy Spender, Entezam of Iran, Urrutia of Colombia and Engen of Norway were among the leading figures at the tenth session. As this list indicates the Commonwealth delegations played an active role at the tenth session.

Principal Work of the Session

20. Measured by any yardstick, the admission of the sixteen new members was for the United Nations by far the most important achievement of the tenth session. It gave the organization a lift it badly needed. Not only was a deadlock of long standing broken, not only was new blood injected at a time when the organization was weak from many years of cold war, but the General Assembly reasserted its claim to be a centre for harmonizing international action. In the immediately preceding years a number of international arrangements had been made outside the United Nations. The Indo-China settlement, the Bandung Conference, the "Geneva spirit" were signs of the drift away from the United Nations.

21. The failure of the Foreign Ministers to agree in November broke the trend. They had tried, perhaps half-heartedly, and failed to reach agreement on the admission of new members, even as a by-product of their Geneva talks. Unwilling to accept this particular failure, because of the high hopes which had been raised, the majority of the General Assembly pursued the move to admit new members. The pressure of opinion became so strong that in the end it proved irresistible. Whereas it may not be true to say that the Soviet authorities bowed to Assembly pressure, there can be little doubt that they were strongly influenced by it not to let the opportunity pass and, by a sudden change of position, to allow the admission of the group of sixteen. The Soviet Union gained solid credit for its part in the Security Council proceedings, so much so that the Western Great Powers were left in the shade. Had it not been that the initiative in the Assembly had been maintained by smaller Western powers, the admission of sixteen might have represented a setback for the West. Whatever the results were in terms of East-West positions, there was no doubt about the substantial gain to the United Nations through this striking demonstration that at least some international problems could be resolved when the members of the United Nations sought the solution with sufficient determination.

22. The resolutions on the peaceful uses of atomic energy and on the effects of atomic radiation provided similar evidence that the United Nations might yet learn to work together. The Western Great Powers were required, in promoting their ideas, to make modifications to meet objections largely from the Afro-Asians and Scandinavians. The Soviet Union, however, had very little success in selling its point of view. It was not necessarily a bad thing for the United Nations, nor for the world, that the Great Powers should have been obliged to trim their sails to the expressions of genuine doubt from others no less interested but not to date as closely concerned with the atomic matters. Contributions to

these debates from representatives of the Scandinavian countries, the Netherlands, Colombia, India, Pakistan and Burma illustrated that point.

23. It would be a mistake to gloss over the difficulties of implementing the resolutions on the atomic items. The complexities of running the proposed atomic energy agency have only begun to appear. The negotiations on the statute are likely to be protracted, particularly if the United States policy continues to lack resilience and adaptability. The agency may be a long time coming into being, and the committee to study the effect of radiation on man and his environment may not accomplish much in the near future. But both these bodies would appear to be essential in a world of atomic development. Therefore necessity, if not determination to succeed, may compel the powers concerned to reach agreement. In any event the tenth session brought the negotiation of an international atomic energy agency very much more within the area of United Nations responsibility and created the committee on radiation. The majority of members, as well as the Secretary-General, are unlikely to relax their interest in these matters and will continue to press for practicable solutions to the atomic problems.

24. The debate on disarmament was disappointingly inconclusive after the hopes raised at the ninth session. What little progress the Sub-Committee made early in 1955 had been thrown in reverse by the time the Assembly began to debate this subject. The voluminous records of the proceedings in the Sub-Committee revealed little more than a dreary and discouraging reiteration of national positions and, on the part of the Western Powers, an absence of agreed aims. The Soviet item on international co-operation, which was injected into the disarmament debate, provoked sideline quarrels between minor contenders and thereby disrupted the main debate.

25. After the failure of the Conference of Foreign Ministers no great enthusiasm continued for President Eisenhower's proposal on aerial inspection. The General Assembly did accept the Western Powers' draft resolution, which gave priority to the study of the Eisenhower proposal, but the passing of the resolution, even by a large majority, produced little sense of achievement or satisfaction. There was no foundation of agreed Western policy on which to build a significant disarmament resolution or serious negotiation with the Soviet Union. The most that can be said for the Western resolution is that it served to dispose of the item and to provide at least a little more time for reaching an agreed Western policy. Nevertheless, there was clear evidence that a number of important members are growing restless about the continuing stalemate on disarmament. This may eventually require the Sub-Committee to show positive signs of progress or declare itself unable to do so. The second of these alternatives would likely produce a strong reaction in the General Assembly.

26. A long debate on Korea, held late in the Assembly, indicated no progress towards the goal of peaceful unification of Korea and was the occasion for perhaps the harshest and most combative exchanges between Soviet and Western delegations. The Indian and Yugoslav representatives tried without much success to introduce some element of reasonableness and impartiality. The statement of the Canadian Delegation indicated a strong misgiving at the rigidity of the United Nations attitude toward Korea. This statement was calculated to serve notice that even member states which had unhesitatingly supported South Korea against aggression were not necessarily content to support all subsequent South Korea actions, or to see the United Nations always and solely in a partisan role in Korean affairs.

27. In the field of economic affairs the results of the tenth session were on the whole satisfactory. It was generally agreed that encouraging progress was being made in the field

of technical assistance. Increased pledges to the Expanded Programme were given at a pledging conference. The forthcoming establishment of the International Finance Corporation was welcomed in the Second Committee, although some delegations expressed the view that the International Bank had acted precipitately in opening for signature the draft statute before referring it to the General Assembly for consideration. The main difficulty in the Second Committee's proceedings related to the question of establishing a Special United Nations Fund for Economic Development. The under-developed countries have increased with each passing year their demand for its establishment. With some difficulty the extremists among the under-developed group were restrained this year from forcing an early decision on that matter. A compromise resolution, adopted unanimously, requests the Secretary-General to invite comments from member states and from the Specialized Agencies about the establishment, role, structure and operations of a special fund. An ad hoc committee was appointed to analyze the replies of governments and hope was expressed that the idea of SUNFED would win increased support.

28. At the tenth session the Third Committee produced few useful results. In the discussion of the Report of the United Nations High Commissioner for Refugees the Soviet Delegation, without abandoning in any way its basic position in favour of the early repatriation of refugees, modified its earlier attacks on the sincerity of purpose of the High Commissioner and accepted resettlement and integration as possible alternatives for a small number of refugees. A Soviet draft resolution was submitted which, among other things, instructed the High Commissioner to assist the early return of refugees and displaced persons to their country of origin. The Soviet contentions were, however, so clearly contrary to the spirit of United Nations assistance to European refugees that they failed to commend themselves to the Committee, even though the Arab delegations showed considerable sympathy for the Soviet position. The Committee adopted a nine-power draft resolution which underlined the High Commissioner's responsibility to seek solutions for the problems of refugees through voluntary repatriation, resettlement and integration and requested him to continue his efforts to effect solutions by these three means. However, because of the lack of response among many Arab, Asian and Latin American delegations, the prospects for obtaining the target figures for the refugee fund in 1955 and 1956 are not promising.

29. In the field of human rights the Third Committee devoted a large part of its time to debating the question of self-determination, mostly in the context of Article 1 of the draft Covenant on Human Rights.¹³⁷ The efforts of the Western powers have been directed to preventing precipitate and questionable action on this subject in the various United Nations bodies dealing with it. The Afro-Asian delegations have been most assiduous in pressing, with the support of the Soviet bloc and many of the Latin Americans, for the establishment of the "right" of self-determination and for its inclusion in the draft Covenant on Human Rights. These efforts were intensified during the tenth session and, as an outcome of a difficult and inconclusive debate, a text was adopted for Article 1 of the draft Covenants which was far from satisfactory to many delegations. The adoption of this article would seem to rule out automatically the consideration of a United States proposal to study the "concept of self-determination". At the same time the delegations dissatisfied with the text of the article are unlikely to give their unreserved support to the recommendations of the

¹³⁷ Pour un compte rendu des discussions tenues aux Nations Unies concernant le projet de Pacte international relatif aux droits de la personne et l'article 1, voir United Nations, *Yearbook of the United Nations 1955*, New York: United Nations, 1956, pp. 153-161.

For a report on the United Nations discussions relating to the Draft International Covenant on Human Rights and Article 1, see United Nations, *Yearbook of the United Nations 1955*, New York: United Nations, 1956, pp. 153-161.

Commission on Human Rights concerning the establishment of commissions for the purpose of ensuring the realization of the right of self-determination. The prospects for the future are therefore clouded with doubt.

30. One of the main achievements of the Fourth Committee was the adoption of a resolution whereby the Assembly recommended that the United Kingdom organize and conduct without delay, under the supervision of the United Nations, a plebiscite in British Togoland. The plebiscite, the first of its kind to be held in a United Nations trust territory, is to ascertain the wishes of the inhabitants on their political future, that is, whether the territory should be linked with an independent Gold Coast, or should continue under trusteeship pending an ultimate determination. The Fourth Committee also endorsed the views of a visiting mission to French Togoland that implementation of the political reforms contemplated by France would be helpful in enabling the inhabitants of that territory to decide their future status at an early date. In these developments, the anti-colonial powers showed the same spirit of accommodation which had been discussed earlier in this assessment. On the question of South-West Africa, however, they pressed their attack against the Union Government which had continued to resist United Nations efforts to bring the territory under the trusteeship system.

31. Perhaps the most important matter discussed by the Sixth Committee was the Draft Convention on Arbitral Procedure. It was apparent that, whereas most member states agreed that arbitration was a necessary means of solving disputes between states, few, and in particular the Soviet Union, were prepared to underwrite the provisions of the Draft Convention which would ensure that an obligation to arbitrate once entered into could not be frustrated. The discussion of this subject, as was generally the case this year in that Committee, was free from political controversy. The leading roles were played by the representatives of the Soviet Union and the United Kingdom.

SECTION B

CONTRIBUTIONS AUX PROGRAMMES EXTRABUDGÉTAIRES CONTRIBUTIONS TO EXTRA-BUDGETARY PROGRAMMES

99.

DEA/54750-DU-1-40

*Projet d'une note du secrétaire d'État aux Affaires extérieures
pour le Cabinet*

*Draft Memorandum from Secretary of State for External Affairs
to Cabinet*

CONFIDENTIAL

Ottawa, September 28, 1955

CONTRIBUTIONS TO UNITED NATIONS EXTRA-BUDGETARY PROGRAMMES

This submission is concerned with Canadian participation in the following programmes:

United Nations Expanded Programme of Technical Assistance to Under-Developed Countries (ETAP)

United Nations Children's Fund (UNICEF)

United Nations Relief and Works Agency for Palestine Refugees (UNRWA)

United Nations Refugee Fund (UNREF)

United Nations' Expanded Programme of Technical Assistance to Under-Developed Countries (ETAP)

2. The multilateral technical assistance programme is an important part of the activities of the United Nations and enjoys broad public support throughout the world. It offers one of the best means of effectively assisting the economically less well developed countries with their problems and, in this respect, supplements and fits in well with our own Colombo Plan activities. It also aids appreciably in better understanding among peoples and governments and provides a continuing expression of concerted international cooperation to raise the standards of living of the less well developed countries.

3. In 1954 a record number of countries contributed a total of \$24.5 million. In that year Canada's contribution was raised to \$1.5 million. In 1955 our contribution was maintained at that figure while total contributions reached the gratifying level of \$27.9 million.

4. It had been agreed, when the Cabinet authorized the 1955 contribution of \$1.5 million, that the amount of that contribution might be reconsidered if it became apparent that total contributions would be appreciably in excess of the amount then anticipated (\$25.0 million). On the basis of the relationship of our original pledge to the total then envisaged (i.e. the ratio of \$1.5 million to \$25.0 million) an increase of the order of some \$200,000.00 in respect of 1955 might seem appropriate. It has been felt, however, that it would be preferable not to consider a supplementary contribution for this year but rather to take account of the unexpectedly high total for 1955 in arriving at a decision regarding the appropriate size of Canada's contribution in 1956.

5. In spite of the larger total contributions made in 1954 and 1955, and the economies effected in administrative arrangements, the need for funds continues to rise. This is due, in part, to the increasing awareness of the recipient countries of the benefits which stem from such assistance programs and to the development and growth of projects embarked upon in the earlier years of the program. To carry out the increased program, which seems justified by present needs, and which has been suggested as a target for pledges next year, a 20 percent increase in the level of contributions would be needed.

6. We have received an intimation that the United Kingdom Government will recommend a modest increase in their contributions. It is also indicated that The Netherlands has already decided to increase its contribution. The United States has committed \$15.5 million to the program for 1956, which represents a further increase over their 1955 appropriation, despite the fact that in that year they were financing over 50 percent of the program. There is, however, a strong feeling in the United States that other governments should bear a somewhat larger proportionate share of the cost. The Executive Branch has made a firm commitment to Congress that their contribution for 1956 will not exceed 50 percent of the total contributions from all governments. It will, therefore, be necessary for the contributions of other governments to reach a total of \$15.5 million. Also, if the full amount of the American contribution were to be taken out, this would mean that such other governments would have to increase their pledges by a total of \$2.5 million, or approximately 20 percent over the figures for 1955.

7. A moderate increase in the size of the Canadian contribution, in the order of 20 percent over last year, would, therefore, seem to be desirable in order to:

(a) take account of the extent to which the performance of others last year exceeded our expectations (a consideration which by itself might seem to justify an increase of 15 or 20 percent);

(b) help meet the greater needs of the program this year, both directly and also indirectly through the effect which our action would have on the contributions of others (an effect

which would be automatic in the case of the U.S. and probably no less influential on others who value our example);

(c) reflect the widespread interest and support in Canada for this worthwhile activity of the United Nations.

8. It has become apparent that for the most effective operation of the program the Technical Assistance Board must have a more dependable basis upon which to plan its projects in advance. In the face of the necessity to be prudent and not exceed the funds in hand, the Board has had no alternative but to reduce the level of technical assistance below what would have been possible and desirable had they had a more definite budget upon which to plan the program fully over a whole year or for a period of years. By its very nature, for the program to be effective, it is essential that it be planned on a long term basis. Under the present arrangements whereby funds are only forthcoming for a period of one year and then not on an early and reliable basis, it is rarely possible to undertake other than relatively short-term projects, whereas some of the most fruitful undertakings suggested to the Board would require finance and execution over a period of years.

9. It is also difficult to arrange realistic priorities within the present fiscal arrangement. An answer to the problem would be for contributing governments to guarantee definite contributions for several years ahead and to pay them at the beginning of each year. If that is not possible, an assurance of at least minimum contributions would be helpful. A commitment of this kind would go a long way to assist the agencies in their planning and also to improve the morale of those involved in these activities by reducing any uncertainty that their operations may be terminated at short notice. Such action by some of the more responsible countries would also encourage other countries to maintain their contributions and, by so giving an assured life, make it less likely that some under-developed countries would press for substitute arrangements which would be more unsatisfactory from our point of view (e.g. a scheme for internationally determined assessments towards technical assistance programs, precipitated action on SUNFED, etc.).

10. At the recent session of ECOSOC a number of delegations, led by those of The Netherlands and the United Kingdom, announced that their governments were prepared to guarantee certain minimum contributions for each of the next three years, subject to annual parliamentary approval. The United States have gone as far as they deem it possible to go at the present time by budgeting 18 months in advance. This is felt to be a not insignificant development on the part of the United States in view of the reluctance shown by them in the past to make advance commitments towards multilateral or even bilateral programs. Administrative officials believe they have been able to impress members of Congress with the need for making advance appropriations for the United Nations' program and the Special Senate Committee which is studying technical assistance programs in which the United States participates has in particular shown sympathetic appreciation of the necessity for long range planning of United Nations technical assistance activities. There is a possibility that they will recommend that the United States should consider authorizing contributions on a long term scale. The American authorities feel if a reasonable number of responsible countries follow the United Kingdom and The Netherlands lead in pledging three years in advance, the Administration's advocacy of this policy for the United States will be greatly strengthened.

11. In view of the experience gained over the years and the prospect of increased efficiency and support which would result from such an announcement, it is suggested that it be announced that it is the intention of the Canadian Government, subject to the annual approval of Parliament, to make contributions to the program for 1957 and 1958 at least on

the order of those of recent years as an indication of continued support and in the interests of effective administration and on the condition that the program will continue with the broad support of other countries.

United Nations Children's Fund (UNICEF)

12. UNICEF was created in 1947 under the name of the United Nations International Children's Emergency Fund in order to help children from war-devastated countries. In 1950 the Fund was authorized to undertake for a period of three years ending December 31, 1953, long-range welfare projects for needy children in under-developed countries.¹³⁸ On October 8, 1953, the General Assembly provided by a unanimous vote for the contribution of the Fund for an indefinite period.¹³⁹

13. UNICEF is regarded as a well-administered organ whose programmes are carried out effectively. There is no doubt that the Fund has made a substantial contribution towards enhancing the prestige of the United Nations. However, the Fund's budget target of \$20 million has never been reached. It is desirable for the Fund to reach this target in order to derive maximum results from its present establishment which cannot be reduced since it represents the minimum permissible for an organization of its kind operating on a world-wide basis. Additional contributions are also required to enable the Fund to utilize in full the United States contribution which should not exceed 57.5 per cent of total payments in 1956. Each year, legitimate requests for assistance on the part of under-developed countries have to be refused as a result of lack of funds.

14. Both the number of contributors to the Fund and the amount of contributions other than those of the United States have consistently increased since 1950 as shown in the following table:

	<u>Governmental Contributions, Excluding United States</u>	<u>No. of Contributing Governments</u>
1950	\$3,162,000	31
1951	4,101,000	34
1952	4,140,000	39
1953	4,453,000	55
1954	5,308,000	61

15. Except for last year there has also been a steady increase in United States contributions since 1950. The United States Congress has just given final approval to a contribution of \$9 million for 1955 and of \$9.7 million for 1956. As of July 21 last, 51 Governments had contributed or pledged \$9,370,000 for 1955 and the number of additional contributors during the remaining months is expected to bring the total of contributors to about 70 for this year. Fourteen governments have so far increased their contributions or pledges over those of 1954 and in seven cases the increase amounts to 50 per cent or more. The French have increased their contribution this year from \$500,000 to \$785,000 and we are told that the Australians will contribute \$550,000. The U.S.S.R. has made its first contribution (\$500,000) to the Fund during the current year.

16. The Canadian Government has contributed \$9,333,634.00 (U.S.) to the United Nations Children's Fund since its inception. In addition the Fund has received over \$1.5 million from private sources in Canada. The Canadian Government has contributed \$500,000 annually for the last five years. In the light of the above, a substantial increase in the Canadian contribution appears desirable. Bearing in mind the nature of UNICEF

¹³⁸ Voir/See Volume 16, Documents 356-365.

¹³⁹ Voir/See Volume 19, Documents 369-371.

programmes and the amount of Canadian contributions to the Expanded Programme of Technical Assistance, it seems reasonable to suggest that the Canadian contribution for 1956 be increased so as to represent approximately 1/15 of the United States contribution of \$9.7 million for that year, i.e., \$650,000.

United Nations Relief and Works Agency for Palestine Refugees (UNRWA)

17. The United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) was established by the General Assembly in December, 1949 (Resolution 302 (IV)).¹⁴⁰ It was asked to "carry out in collaboration with local Governments direct relief and works programmes" for the benefit of the odd 950,000 Arab refugees who had fled Palestine in 1948 following the establishment of the State of Israel.

18. It was hoped that refugees would be either repatriated or resettled in the areas where they took refuge in a relatively short time. Very little progress was made, however, during the first years of the Agency's operations and on January 26, 1952, the Assembly endorsed the so-called Blandford Plan which recommended a three-year programme as follows:

	<u>Relief</u>	<u>Rehabilitation</u>
	\$27 million	
1951-1952	U.S.	50 million
	\$18 million	
1952-1953	U.S.	100 million
	\$ 5 million	
1953-1954	U.S.	50 million

This programme was approved without prejudice to the rights of repatriation or compensation recognized in paragraph 11 of Resolution 194.

2. By the end of the fiscal year 1953-1954, there were still some 800,000 refugees on relief roles so that at its ninth session the Assembly extended the mandate for five years, ending June 30, 1960. This decision was taken again without prejudice to the rights of the refugees to repatriation or compensation.

20. The Canadian Government voted in favour of the establishment of the Agency and also in favour of the extensions of its mandate authorized at the ninth session.¹⁴¹

21. In the past the Canadian Government made the following contributions to Palestine refugee programmes under UNRWA and its predecessor UNRPR (United Nations Relief for Palestine Refugees) which operated between December 1948 and April 1950:

December 1948 to April 1950	\$ 1,040,616	(in kind)
May 1950 to June 1951	894,313	(in cash)
May 1951 to June 1952	505,000	(in kind)
July 1952 to June 1953	600,000	(in cash)
July 1953 to June 1954	515,000	(in cash)
July 1954 to June 1955	515,000	(in cash)
TOTAL	<u>\$ 4,070,929</u>	

22. As of June 30, 1955, Canada was the fourth largest contributor to these programmes, the other major contributors among non-Arab states being the United States (\$137,000,000), United Kingdom (\$38,000,000), France (\$11,000,000), Australia

¹⁴⁰ Pour le texte de la Résolution 302 (IV), voir Nations Unies, *Documents officiels de l'Assemblée générale, quatrième session (A/1251), Résolutions, résolution 302 (IV), 8 décembre 1949, pp. 23 à 25.*

For the text of Resolution 302 (IV), see United Nations, *Official Records of the General Assembly, Fourth Session (A/1251), Resolutions, Resolution 302 (IV), December 8, 1949, pp. 23-25.*

¹⁴¹ Voir/See Volume 20, Document 210.

(\$1,500,000), and New Zealand (\$950,000). The Arab states have made contributions to UNRPR and UNRWA of \$4,800,000. The Arab governments have also made each year substantial contributions in kind direct to refugees, the total amount of such contributions for the fiscal year 1954-1955 being approximately \$2,300,000.

23. Although the report of the Director-General of the Agency is not yet available it can be assumed that the number of Palestine refugees is still in the neighbourhood of 850,000 judging from the provisional relief estimate of 28.1 million for 1955-56.

24. During the last 12 months the Agency has nevertheless been actively engaged in preparing the way for the implementation of one of its two major projects in the Sinai Peninsula. Progress on the other major project in the Yarmuk River Valley depends largely upon the outcome of negotiations on the Johnston Plan. In the meantime the Agency is performing a most useful function by carrying out an energetic educational programme among the refugees within the limits of its resources.

25. The success of the Agency's resettlement programme is of course dependent on the progress made in stabilising the political situation in the area. The first hopeful prospect of long-term co-operation between Israel and its neighbours on matters of substances occurred last year when agreement was reached in principle on the Johnston Plan for the unified development of water resources in the area.¹⁴² Although final agreement has not yet been reached, the points of difference have been reduced to a minimum.

26. In addition to this encouraging development, there has been a hopeful improvement in Arab-Israel relations in recent months. UNTSO has been largely successful in its efforts to stabilize the situation on the Israel-Jordan border. A local Commander's agreement has been concluded in the trouble spot of Jerusalem and negotiations are now taking place to make similar arrangements along the entire line of demarcation between the two countries. Incidents on the borders of Lebanon and Syria have been reduced to a minimum. A similar situation is now hoped for in the relations between Israel-Egypt notwithstanding the sharply increased tension earlier this year along the Gaza strip. Major General E.L.M. Burns of Canada with his reputation for impartiality has played a significant role in these developments.

27. In a statement on the Palestine question which he made on August 26, 1955 and which has been endorsed by the United Kingdom, Mr. Dulles suggested that an international loan be made to the State of Israel with a view to enabling it to pay compensation to Palestine refugees.¹⁴³ United States proposals were accompanied by suggestions for the guaranteeing of present frontiers with some rectifications. The official attitude of the Arab states to the Dulles proposals has been non-committal and public criticism was more restrained than had been expected. Israeli officials indicated that they regarded the Dulles suggestions as constructive proposals though they had some misgivings about some of its features. In the light of the progress made on the Johnson Plan and Mr. Dulles' suggestion

¹⁴² Voir/See United States, Department of State, *Foreign Relations of the United States (FRUS)*, Volume IX, 1952-1954, The Near and Middle East, Washington: United States Government Printing Office, 1986, pp. 1578, 1727-1730 and *ibid.*, Volume XIV, 1955-1957, Arab-Israel Dispute, 1955, Washington: United States Government Printing Office, 1989, pp. 21-23, 89-90.

¹⁴³ La déclaration de Dulles est reproduite dans United States, Department of State, *Bulletin*, Volume XXXIII, No. 845, September 5, 1955, pp. 378-380. Pour une évaluation canadienne des propositions de Dulles, voir le document 564.

Dulles' statement is reprinted in United States, Department of State, *Bulletin*, Volume XXXIII, No. 845, September 5, 1955, pp. 378-380. For a Canadian assessment of Dulles' proposals, see Document 564.

for an overall settlement of the Palestine issue, it is hoped that some headway will be made in the settlement of the refugee problem in the relatively near future.

28. The refugee issue has become the hub of the Palestine problem. The maintenance of refugees at their present subsistence level (at the low cost of \$27 per head per year) is an essential condition of any further improvement in Israel—Arab relations and of maintaining law and order in the border areas. The refugees are of course the kind of political tinder upon which political opportunists of all shades in the Middle East thrive.

29. The maintenance of these Palestine refugees on a reasonably satisfactory basis is an important element in ensuring continuing peace in the Middle East: the financial burden involved must be shared by the members of the United Nations as their contribution to the maintenance of peace. Canada being generally regarded as a relatively wealthy member of the international community particularly by the Asian people, is expected to contribute to UNRWA expenses on a fairly substantial basis.

30. For these reasons and in the light of the continued support of the Agency by Western countries during 1954-55 (United States: \$13 million; United Kingdom \$4.5 million; France: \$557,000; New Zealand \$140,000), it is suggested that Canada should continue in the year 1955-56 the financial support given to UNRWA in 1953-54 and 1954-55, i.e., \$500,00.

United Nations Refugee Fund (UNREF)

31. The High Commissioner for Refugees has under his mandate 300,000 refugees in Europe whose problems remain unsolved and of whom 75,000 are still living in camps. In addition, there are among the European refugees in China 900 in Shanghai alone who are totally dependent on United Nations' aid until they can be resettled in other countries. With a view to achieving a permanent solution to the problem, the High Commissioner submitted to the ninth session of the General Assembly a four-year programme (1955-58). The General Assembly authorized him to undertake this programme and member governments were asked to contribute for the first year's operations. The cost of the programme was estimated at sixteen million dollars for a four-year period and the target figure for 1955 was set at 4.2 million dollars. The main portion of the funds is to be used to finance projects leading to the integration of refugees in their present countries of residence and a smaller portion for continued emergency aid.

32. In 1954, Canada contributed \$50,000 to the United Nations Refugees Fund specifically for emergency aid to the European refugees in China. In view of the broader and more comprehensive programme envisaged in 1955, the Cabinet approved in principle the grant to UNREF at its meeting on May 5, 1955. It was later agreed between the Minister of Finance and the Minister of Citizenship and Immigration that Canada's contribution for 1955 would be \$125,000.

33. In deciding on Canada's contribution for 1956 it would seem appropriate that we should repeat our 1955 contribution of \$125,000. The High Commissioner's programme is directed mainly at helping refugees, many of whom would like to immigrate to Canada but who are not acceptable as immigrants. Since there is a continuing pressure on Canada to take in at least some of these refugees, \$125,000 would not seem to be too high a price to pay for "other solutions". Moreover, very little financial support for UNREF is likely to be forthcoming from the non-European Members of the United Nations, since European refugees only are involved. Thus the main burden of financing the programme necessarily falls on the Western European Members and on the United States, United Kingdom, Canada, Australia, etc. The European, United States and Australian contributions to UNREF are additional to what they are spending each year on their own national programmes for refu-

gees. The Canadian contribution to the solution of the refugee problem, on the other hand, is limited almost exclusively to a financial grant to UNREF and the sum of \$125,000 does not seem to be more than our fair share.

IT IS THEREFORE RECOMMENDED:

ETAP

(1) that Canada contribute \$1.8 million to the United Nations Expanded Programme of Technical Assistance in 1956, and

(2) that the Canadian Government undertake, subject to the annual voting of funds by Parliament, to make contributions to the programme for 1957 and 1958 as well, at least in the order of those of recent years on the condition that the programme continues to receive the broad support of other member countries of the United Nations;

UNICEF

(3) that authorization be given to announce the Government's intention to seek parliamentary approval for a contribution to the United Nations Children's Fund for the fiscal year 1956-67 of \$650,000; and

(4) that the Fund be encouraged to continue its favourable record of purchases in Canada;

UNRWA

(5) that authorization be given to announce the Government's intention to seek parliamentary approval for a contribution of \$500,000 to the United Nations Relief and Works Agency for Palestine Refugees relief programme for its financial year 1955-56; and

(6) that payment of the Canadian contribution be made subject to informal assurances by UNRWA that this contribution will be used as far as practicable for the procurement in Canada of commodities required by the Agency for its operations;

UNREF

(7) that authorization be given to announce the Government's intention to seek parliamentary approval for a contribution of \$125,000 to the United Nations Refugee Fund for expenditure on the 1956 programme of the High Commissioner for Refugees.¹⁴⁴

L.B. PEARSON

¹⁴⁴ Le 28 septembre 1955, le Cabinet a approuvé les quatre contributions aux niveaux proposés, après un exposé oral de Pearson.

On September 28, 1955, Cabinet approved all four contributions at the levels proposed following an oral presentation by Pearson.

2^e PARTIE/PART 2

ACCORD GÉNÉRAL SUR LES TARIFS DOUANIERS ET LE COMMERCE
 GENERAL AGREEMENT ON TARIFFS AND TRADE

SECTION A

NEUVIÈME SESSION DES PARTIES CONTRACTANTES
 ET RÉVISION DE L'ACCORD
 9TH SESSION OF THE CONTRACTING PARTIES AND REVISION OF AGREEMENT

100.

DEA/9100-AO-40

*Note du sous-secrétaire d'État aux Affaires extérieures
 pour le secrétaire d'État aux Affaires extérieures*

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

SECRET

[Ottawa], January 1, 1955

PROPOSED VISIT BY CANADIAN MINISTERS TO WASHINGTON THIS THURSDAY
 TO DISCUSS THE SITUATION IN THE GATT REVIEW AND U.S. AGRICULTURAL
 IMPORT RESTRICTIONS¹⁴⁵

I am attaching a copy of the draft memorandum¹⁴⁶ prepared by the Inter-departmental Committee on External Trade Policy which it was thought Ministers might wish to leave with the U.S. Cabinet members with whom they will be meeting on Thursday. I understand that Mr. Howe will be discussing this draft with the Prime Minister early this afternoon.

2. Of the various points made in this draft memorandum, you might wish to give particular emphasis to those which would seem likely to have some appeal to Mr. Dulles. For example:

(a) you might think it desirable to emphasize the demoralizing effect which pressure by the U.S. to have its obligations waived (or a split between the U.S. and Canada on this issue) would be likely to have on international cooperation generally. It is quite possible that the U.S. could induce the necessary number of contracting parties to agree to such a waiver but only in return for a weakening of the obligations imposed on those countries under the GATT. For the U.S. to secure a waiver on such terms (with Canada, the principal country affected, continuing to oppose it) would appear to be very short-sighted. The shadow of cooperation under the GATT might have been retained, but the substance would have been largely lost. Such a deterioration in the position of the GATT could hardly fail to have damaging effects on the prospects for genuine and meaningful cooperation not only in the economic field but possibly in other areas as well;

(b) you might wish to refer specifically to the injurious effects which such a situation would have on attitudes in Canada towards the United States and, hence, on relations between the two countries; and

¹⁴⁵ Voir/See Volume 20, Documents 218-235.

¹⁴⁶ La version finale de ce document est reproduite ci-après, en annexe au document 103.

The final version of this document is reproduced below as the enclosure to Document 103.

(c) you might draw attention to the observation in paragraph 3 of the memorandum that “in particular, if such a waiver were in effect, or likely to come into effect, it would be most difficult for the Canadian Government to take part in tariff negotiations under the Agreement.” You might refer to the hope of the United States that Canada would be able to join in the tariff negotiations involving Japan next month. While it would be difficult at any time for Canada to enter into negotiations affecting trade with Japan (especially since our most-favoured-nation rates which are now applicable to Japanese goods are relatively low), the Canadian authorities have been attempting to find some basis on which Canada could participate in such negotiations. If, in addition to the problems which negotiations involving Japan would ordinarily present, it was now to appear that our trade in agricultural products with the United States was likely to be subject to a general waiver of U.S. obligations, it would be virtually impossible for Canada to contemplate joining in the proposed negotiations (particularly as many of the concessions which might benefit Japan would have to be negotiated with the United States). Accordingly, apart from the difficulties which such a waiver would create for possible Canadian participation in subsequent general tariff negotiations, the U.S. Administration should appreciate that the more immediate decision concerning negotiations with Japan would almost certainly be adversely affected if the U.S. were to insist on the waiver which it is now seeking. Although we are (like Mr. Dulles) fully conscious of the desirability from a political point of view of helping to ease the admission of Japan fully into the GATT, insistence by the U.S. on its proposal for a waiver would make this practically impossible.

3. In short, it might be represented to Mr. Dulles that the present U.S. proposal (which we regard as unreasonable in itself) would:

(i) adversely affect international [economic] cooperation generally [and this weakens political co-op];

(ii) damage [each of which is other’s best customer & I hope closest friend] relations between the United States and Canada;

(iii) impair Canada’s ability to enter into tariff negotiations [under GATT] aimed at making Japan a full member of the GATT.¹⁴⁷

Mr. Dulles might be asked whether he really considers that it is worth incurring these consequences in order to get complete freedom (or at least greater freedom than would seem to be necessary) for the U.S. in agricultural matters.

4. Supplementary background material is being prepared and should be available either later today or tomorrow morning.

5. Meanwhile, you might wish to have the attached paper entitled “GATT Review — Positions and Policies”^{†148} which was prepared for a recent meeting of the Inter-departmental Committee.

R.M. M[ACDONNELL]
for Under-Secretary of State
for External Affairs

¹⁴⁷ Pearson a ajouté à la main le texte entre crochets.

Pearson added the material in square brackets by hand.

¹⁴⁸ Voir/See Volume 20, Document 233.

101.

DEA/9100-AO-40

*Le haut-commissaire au Royaume-Uni
au secrétaire d'État aux Affaires extérieures*

*High Commissioner in United Kingdom
to Secretary of State for External Affairs*

TELEGRAM 5

London, January 4, 1955

SECRET. IMMEDIATE.

Repeat Gatdel No. 1.

MINISTERIAL TALKS WITH UNITED STATES ON GATT

1. Frank Lee and Edgar Cohen had dinner with Sharp and myself on Monday evening to discuss current GATT issues. Lee outlined attitude which the United Kingdom will take on several major issues as a result of "agonizing re-appraisal" during Christmas recess. Sharp will report in greater detail after reaching Geneva.

2. It is fair to say that, in the main, Canadian and United Kingdom re-appraisals have come out at about the same point. The major and perhaps only exception is our respective attitudes towards the request by the United States for a waiver on agricultural import restrictions which differ fundamentally and widely. It is extremely fortunate that we were able to tell Lee and Cohen about the nature of the discussions that are taking place Thursday in Washington, and were able to persuade them to withhold disclosure of their proposals in the GATT or to any other country until the outcome of the Washington meetings can be transmitted to them. We have undertaken to let them know what happens not later than Friday. Lee requested particularly that the message to Geneva should be repeated to London so that I can inform him at the same time.

3. The United Kingdom proposal which I repeat has not been and will not be disclosed to anyone else pending the outcome of the Washington talks is based on the premise that the United States cannot be persuaded to drop its request for a waiver to cover future action under Section 22 and that if a waiver is granted for the benefit of the United States it will have to be in a form suitable for application to European countries with agricultural price support programmes. Indeed, as you will see and as we pointed out, the United Kingdom proposal really fits the agricultural programmes of European countries much better than it does those of the United States.

4. Briefly the United Kingdom proposal is to grant waivers in the following form and subject to the following conditions:

(a) On agricultural products only;

(b) On agricultural products which are being price supported or which have certain seasonal characteristics (this seasonal qualification was not clearly explained);

(c) Subject to approval in advance of the particular products on which restrictions may be applied during the ensuing year and of the minimum quotas. We pointed out that this particular condition would lead the Americans if they accepted the proposal, which we seriously doubted, to cast the net as widely as possible so as to include every product on which they might possibly wish to apply import restrictions whether they had any intention of doing so or not;

(d) Subject to review by the contracting parties of restrictions actually applied under the waiver to determine whether supplying countries had rights to demand compensation or to

retaliate. The implication seemed to be that compensation or retaliation would be appropriate if restrictions offended against the principle of fair shares or against such other principles as might be agreed upon.

5. Unless there are some major changes in United States attitude as a result of the Washington talks, the United Kingdom intends to advance its proposal probably over the week-end in anticipation of the OEEC meetings scheduled for Thursday and Friday of next week. Lee believes it to be essential that countries like West Germany and Belgium should know that the United Kingdom will insist on strict limitations on the use of waivers. Sharp explained in detail the position that the Canadian ministers would take in Washington, emphasizing that Canada was opposed to a waiver in any form which relieved the United States in advance of its GATT obligations. Lee said that the United Kingdom had tried unsuccessfully to persuade the United States to drop its request for a waiver and predicted the same outcome for the Canadian démarche. However, he was willing to await events.

6. It is of the utmost importance that some message be sent to Geneva from Washington at the conclusion of the talks between the ministers and secretaries if we wish to prevent the United Kingdom from taking the lead over the week-end in attempting to negotiate a compromise settlement along the lines of their proposal outlined above.

N.A. ROBERTSON

102.

DEA/9100-AO-40

*Le secrétaire d'État aux Affaires extérieures
au haut-commissaire au Royaume-Uni*

*Secretary of State for External Affairs
to High Commissioner in United Kingdom*

TELEGRAM 6

Ottawa, January 4, 1955

SECRET. IMPORTANT.

Reference: Your telegram No. 5 of January 4.
Repeat Washington EX-7; Geneva No. 3.

MINISTERIAL TALKS WITH THE U.S. ON GATT

We are most disturbed at the course which the U.K. is apparently contemplating.

2. As you will appreciate, the discussions which are expected to take place in Washington on Thursday will not be of the kind from which concrete results can be expected immediately. We have no exaggerated hopes, but we think it most important that the U.S. Cabinet members concerned should have sufficient opportunity to consider the representations which our Ministers will have made to them. We fear that a proposal on the lines envisaged by the United Kingdom would merely confuse matters and divert their attention from our serious anxieties about a subject which is of vital importance to us. We would hope the United Kingdom would recognize that this is a field in which our interests are much more deeply involved than theirs. We would strongly urge, therefore, that they should not put forward any proposal of this sort.

3. You might remark to the U.K. officials that we have not been able to appreciate why this is a subject on which they feel bound to intervene as a matter of such urgency. In particular, we consider entirely inappropriate their apparent intention to have their proposal brought up for discussion first in the OEEC (although we recognize that it would of

course, be tabled at about the same time in the GATT). You might add that, although we do not profess fully to understand the U.K. proposal as summarized, we cannot believe that it would be acceptable to the United States. Whether or not we are right in this judgement, you might emphasize to the U.K. that it would be objectionable to us.

4. A following telegram will provide the text of the memorandum to be left with U.S. Ministers. You might at your discretion give a copy of that memorandum to the U.K. on Thursday afternoon.

[L.B.] PEARSON

103.

DEA/9100-AO-40

*Note du sous-secrétaire d'État aux Affaires extérieures
pour le secrétaire d'État aux Affaires extérieures*

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

SECRET

[Ottawa], January 4, 1955

PROPOSED VISIT BY CANADIAN MINISTERS TO WASHINGTON THIS THURSDAY
TO DISCUSS THE SITUATION IN THE GATT REVIEW AND U.S. AGRICULTURAL
IMPORT RESTRICTIONS

In my memorandum of January 1, I indicated that we hoped shortly to provide you with some supplementary background material. You will by now have received an advance copy of the attached supplementary paper. I should explain that this paper was prepared jointly by officials of this Department, the Departments of Finance and Trade and Commerce and the Bank of Canada. Copies are also being supplied to Mr. Howe and Mr. Harris.

J. L[ÉGER]

[PIÈCE JOINTE/ENCLOSURE]

Note

Memorandum

SECRET

BACKGROUND MATERIAL ON AGRICULTURAL IMPORT RESTRICTIONS

This memorandum has been prepared for the use of Canadian Ministers, to supplement the Note which is to be left with the United States Secretaries.

In seeking a constructive solution to the problem, which might be acceptable to the Americans as well as to ourselves, we have considered two different approaches. The first might be called "Waiver for past actions" approach and the second a "Fair shares of the United States market" approach. The following sets forth some information pertaining to these two approaches. In addition, a brief analysis is provided of the more important agricultural tariff concessions which have been received from the United States.

The meeting with the U.S. Secretaries is essentially for the purpose of registering the Canadian point of view, that it is impossible for Canada to accept the U.S. proposal. Even though no immediate change may be brought about in the U.S. position, it is important for the future that the Canadian attitude should have been effectively presented.

It may be very dangerous, however, to go very far in attempting to negotiate a solution with the Americans which would go any further than the "waiver for past actions." The Americans would be able to concede very little to our point of view. On the other hand, they would ask us to pay a price for any concessions at all from them. In particular, the Americans would expect us to support their waiver proposal if they modified it at all to meet our concerns. Whether the Government can give support to *any* modification of the U.S. position, and justify it in public, is obviously the most important question for ministerial decision.

It is quite possible that the Americans will say they simply must have the waiver for their own political reasons, but that Canada need not be apprehensive, that the Americans will always consult us and the waiver will not be used against us. The Canadian reply to this would merely be as set forth in the official Note, that such a waiver could not be explained in Canada and that it would have destructive effects on GATT.

The Americans may also point to their record of past actions as being not unreasonably damaging in the circumstances. While we need not contest such an assertion, the restraint which they may have shown in the past is no guide to what they might choose to do (or be forced to do) in the future if they had access to a blanket waiver. When Mr. Howe was confronted with this point in Geneva, he observed that we would not be in as strong a position to negotiate with the Americans in the future if they were to be relieved of their contractual obligations.

A. "WAIVER FOR PAST ACTIONS" APPROACH

The basic purpose of the United States in seeking a waiver of any sort in connection with agricultural imports is that the Administration is now apparently committed to submitting the General Agreement to Congress and that in order to enlist Congressional support it appears essential that the United States should not be acting in contravention of a major obligation under the Agreement. Accordingly, the minimum waiver (or set of waivers) required for this purpose would seem to be a waiver (or waivers) covering the existing situation. If Canada showed its willingness to go this far, it could not fairly be accused of obstructing Congressional approval.

If it is represented by the U.S. Secretaries that nothing less than a complete waiver, for the future as well as the past, would enable them to get favourable action by Congress on the GATT instrument, our reply might be that Congressional approval at this time would not be worth such a price.

The United States has always found the Canadian Government willing to discuss the agricultural trade problems which have arisen. In 1953, for example, the United States Government sought agreement with us on oats¹⁴⁹ and in 1954 on barley¹⁵⁰ and rye.¹⁵¹ In each case it was found possible to formulate a basis of agreement that both governments could live with.

As and when the Americans confront real problems with regard to their agricultural imports in the future, requiring actions on their part inconsistent with their GATT obligations, it is our view that they should seek appropriate waivers in individual cases, subject to conditions to be agreed upon with the Contracting Parties. We would hope the United States would have confidence that the Contracting Parties, including Canada, would continue to behave fairly in the future, provided the United States proposals were reasonable.

¹⁴⁹ Voir/See Volume 19, Documents 849-863.

¹⁵⁰ Voir/See Volume 20, Documents 550-558.

¹⁵¹ Voir/See Volume 20, Documents 526.

The Canadian Government has committed itself to observe GATT rules in its trade with the United States and we could not accept blanket waivers of these rules for the United States by which we would agree in advance to relieve the United States of some of its most important obligations under GATT.

We may tell the Americans that we would be prepared to discuss appropriate waivers from GATT rules where necessary to cover their existing restrictions. The implication of this is, of course, that we would be prepared to examine similar proposals in the future, if necessary. We should not give assurances in advance, however, which would have the effect of compromising in advance our attitude towards any request which the Americans might make in the future for a waiver on a particular product.

If the Americans were to be relieved of their GATT obligations with respect to future agricultural import restrictions, they might find it much more difficult to resist the unreasonable demands of their own agricultural protectionists. This point should carry considerable weight in at least some important quarters in the Administration.

The Contracting Parties to the GATT have not had occasion to consider whether any restrictions imposed by the United States under Section 22 of the Agricultural Adjustment Act are, in fact, in violation of the provisions of Article XI of GATT. Only in the case of dairy products have the Contracting Parties taken official cognizance of any of the restrictions imposed by the United States.¹⁵² With respect to the latter, the Contracting Parties have noted their undesirable influence on trade and have requested the United States to remove them as quickly as possible. It is difficult to say with certainty in how many cases the Americans have already broken the GATT rules in such ways as to require waivers, although we have represented in several instances that the actions they proposed were in violation of the GATT. Waivers would only be required in cases where the United States felt itself to be in contravention of GATT rules or where the Contracting Parties found the U.S. to be contravening the rules.

Agricultural Escape Clauses (Article XI of GATT)

The GATT at present permits the imposition of quantitative restrictions against agricultural and fisheries products in certain carefully stated circumstances. Article XI allows such restrictions if (1) a product is subject to production or marketing limitations, or (2) if, in order to remove a temporary surplus, a product is made available to domestic consumers at prices below the current market level or free of charge.

The relevant passage in Article XI reads as follows:

“Import restrictions on any agricultural or fisheries product, imported in any form, necessary to the enforcement of governmental measures which operate:

- (1) to restrict the quantities of the like domestic product permitted to be marketed or produced, or, if there is no substantial domestic production of the like product, of a domestic product for which the imported product can be directly substituted; or
- (2) to remove a temporary surplus of the like domestic product, or, if there is no substantial domestic production of the like product, or a domestic product for which the imported product can be directly substituted, by making the surplus available to certain groups of domestic consumers free of charge or at prices below the current market level.”

¹⁵² Voir le volume 17, les documents 818-819 et le volume 18, les documents 809-828.

See Volume 17, Documents 818-819 and Volume 18, Documents 809-828.

The maintenance of a price support policy is not a justification under Article XI for applying restrictions. Such a support policy must also be accompanied by a program of the type mentioned in the preceding paragraph.

The agricultural "escape" clause in the GATT is more restrictive than that contained in the Canada-United States Agreement of 1938.¹⁵³ In the latter Agreement, the "escape" clause permitted the application of restrictions if a price support program were in force and did not make their application conditional on production limitations or surplus disposal schemes. In spite of this, no restrictions were applied until 1941.

The restrictions at present in force are described below:

Agricultural Restrictions in Force in the United States. (Not all of which are of concern to Canada)

1. *Wheat and Wheat Flour*

Wheat: Total import quota of 800,000 bus/annum.
795,000 bus. of quota allocated to Canada.

Flour: Total import quota of 4 million lbs/annum.
8,915,000 lbs. of quota allocated to Canada.

Comments: Restriction imposed since 1941.

Wheat is subject to price support.

Exports of wheat and flour are subsidized.

Production subject to acreage control.

2. *Oats*

Total import quota of 40 million bus./annum.
39,312,000 bus. of quota allocated to Canada.

Comments: Restriction first imposed in 1953.

Subject to price support

Under the existing arrangement this restriction is in force until September 30/55.

Feed grains are being given away as a part of the U.S. drought relief program.

There are no production restrictions.

3. *Barley and Barley Malt*

Total import quota of 27.5 million bus./annum.
27,225,000 bus. of quota allocated to Canada.

Comments: Restriction first imposed in 1954.

Subject to price support.

Under the existing arrangement this restriction is in force until September 30/55.

Feed grains are being given away as a part of the U.S. drought relief program.

There are no production restrictions.

4. *Rye*

Total import quota of 186 million lbs./annum.
Quota not allocated to individual countries.

Comments: Restriction first imposed in 1954.

Subject to price support.

Feed grains are being given away as part of the United States drought relief program.

There are no production restrictions.

¹⁵³ Voir Canada, *Recueil des traités*, 1939, N° 8./See Canada, *Treaty Series*, 1939, No. 8.

5. *Dairy Products*

The following products are subject to import quota — Butter, dried cream, malted milk, dried whole milk, dried skimmed milk, dried buttermilk, cheddar cheese, blue-mould and italian-type cheese.

Comments: Restrictions imposed since 1951.

These products are subject to price support. While there are no production controls, there are a number of give-away programs designed to reduce the surplus stocks. The Contracting Parties to GATT have approved of a Decision requesting the United States to remove them as soon as possible.

6. *Peanuts*

Import quota of 1,709,000 lbs./annum.

Comments: Additional fee imposed in 1953.

Subject to price support.

7. *Peanut Oil*

Imports in excess of 80 million lbs./annum are subject to an additional import fee of 25%.

Comments: Additional fee imposed in 1953.

Subject to price support.

8. *Long-staple Cotton*

Imports restricted since 1939.

Production subject to acreage control.

9. *Flaxseed*

All imports are subject to an additional fee of 50%.

10. *Linseed Oil*

All imports are subject to an additional import fee of 50%.

11. *Almonds*

Imports in excess of 5 million lbs. are subject to an additional import fee of 10¢ lb. There is a program for reducing surpluses by diverting excess supplies from normal markets. Financial assistance is made available for this purpose.

12. *Filberts*

Imports in excess of 6 million lbs. are subject to an additional import fee of 10¢ lb. There is a program for reducing surpluses by diverting excess supplies from normal markets. Financial assistance is made available for this purpose.

B. "FAIR SHARE OF THE UNITED STATES MARKET" APPROACH

An approach which has been explored in the past is that a country with agricultural price supports should not be obliged to accept additional imports which are attributable solely to the existence of the support program, so long as agricultural exporting countries were guaranteed access for their normal trade (i.e. a "fair share" of the American market). It is not unreasonable to argue that the United States should not be obliged to support the agriculture of the whole world, merely because it has domestic price supports. While it would be difficult, in a particular case, to determine what imports into the United States might have amounted to in the absence of a support program, some formula might be devised based on past trade as well as present trends of consumption in the United States and other relevant factors.

The Americans might find even this approach to be in conflict with Section 22 of the Agricultural Adjustment Act. Section 22 provides for the imposition of restrictions where imports are interfering with a program of the Department of Agriculture and it is set forth

in the Agricultural Adjustment Act that the Act is to take precedence over any trade agreement entered into by the United States. A "fair shares" formula, which would in fact limit the extent of possible restrictions, might appear therefore to be explicitly in conflict with the Agricultural Adjustment Act.

If we were to suggest a "fair shares" approach and the Americans were unexpectedly to accept it, we would then be committed to support it. On the other hand it is doubtful that the Americans could possibly agree to a formulation of this approach which would go far enough to meet our position and be publicly defensible in Canada.

C. IMPORTANT TARIFF CONCESSIONS MADE ON AGRICULTURAL PRODUCTS BY THE UNITED STATES TO CANADA SINCE 1930. A NUMBER OF SMALLER ITEMS ARE NOT INCLUDED IN THIS LIST.

Tariff Para.		1930	1936	1939	1948
722	Barley	20¢ bush.	-	15¢	7-1/2%
726	Oats	16¢ bush.	-	8¢	4¢
728	Rye	15¢ bush.	-	12¢	6¢
729	Wheat	42¢ bush.	-	-	21¢
701	Cattle, over 700 lbs. each	3¢ lb. 3¢ ex quota	2¢ (quota) 3¢ ex quota	1-1/2¢ quota 2-1/2¢ ex quota	1-1/2¢ quota
710	Cheese, cheddar	7¢ lb. min. 35%	5¢ min. 25%	4¢ min. 25%	3-1/2¢ min. 17-1/2%
713	Eggs	10¢ doz.	-	5¢	3-1/2¢
734	Apples	25¢ bus.	15¢	15¢	12-1/2¢
736	Frozen blueberries	35%	25%	17-1/2%	10%—8-3/4%
771	Potatoes	75¢ 100 lbs.	45¢ quota (certified)	37-1/2% quota 75% ex quota	-
503	Maple sugar	8¢ (6¢)	4¢	3¢	2¢

104.

DEA/9100-AO-40

Note du secrétaire d'État aux Affaires extérieures
Memorandum by Secretary of State for External Affairs

CONFIDENTIAL

[Ottawa], January 6, 1955

The Canadian Government has been reviewing the position reached at the current meeting in Geneva of the Contracting Parties to the General Agreement on Tariffs and Trade. The Canadian Government had hoped that the review of the General Agreement would result in a stronger set of trade rules and that any weakening of the Agreement would be avoided; this hope was expressed at the meeting last March of the Canada-United States Joint Economic Committee.¹⁵⁴

Accordingly the Canadian Government was deeply concerned to learn of the intention of the Government of the United States, as communicated to the Canadian and other delegations in Geneva, to seek a waiver of very important obligations under the Agreement. This waiver would sanction the imposition of restrictions and fees on any imports into the United States covered by Section 22 of the Agricultural Adjustment Act, whenever such imports were considered to interfere with a program of the United States Department of

¹⁵⁴ Voir/See Volume 20, Document 525.

Agriculture. It is the view of the Canadian Government that any such blanket waiver would strike at the foundations of Canadian-American commercial relationships and of the General Agreement under which those relationships have developed so substantially during the past seven years.

In successive rounds of tariff negotiations under the Agreement, the Canadian Government has made substantial concessions to the United States. As compensation, tariff concessions have been received from the United States, and among the most important of them have been concessions facilitating traditional Canadian exports of agricultural products to the United States. In Canada much of the support for present commercial relations with the United States under the General Agreement comes from those sections and interests which rely on these traditional exports. It would not be possible to convince the Canadian people that it was necessary for the United States to get a waiver giving formal release from its obligation not to impair its tariff concessions; nor would it be reasonable to ask the Canadian Parliament to condone such a waiver. In particular, if such a waiver were in effect, or likely to come into effect, it would be most difficult for the Canadian Government to take part in tariff negotiations under the Agreement. Accordingly, the Canadian Government must inform the Government of the United States that it will have to oppose actively any waiver of the type proposed.

The Canadian Government is aware of the constructive efforts now being made by the United States Administration by the revision of certain agricultural price support programs to alleviate some of the difficulties affecting trade in agricultural products. The Canadian Government has also appreciated that United States price support programs have acted as a special magnet for agricultural imports.

Accordingly, when particular problems have arisen, the Canadian Government has consistently been willing to cooperate in seeking solutions. Such solutions have been worked out with reference to the principles set forth in the General Agreement and without any general impairment of those principles. The Canadian Government would not be prepared to accept any proposal which would leave the United States free to impose agricultural import restrictions in the future or which would compromise the important principles contained in the existing trade agreement. A waiver, such as that proposed, would involve a fundamental departure from the principles and practices of the Agreement, and would seriously upset the balance of the Agreement between the two countries — both the balance in respect of existing tariff concessions and also the balance in respect of the general obligations.

Apart from its direct effects on Canada, the proposed waiver, in the opinion of the Canadian Government, is having most unfortunate effects on the current review of the Agreement in Geneva. The granting of such a waiver would also seriously impair the subsequent operation of the Agreement. In the first place, both Canada and the United States have been attempting, in their own interests, to negotiate stricter general trade rules in order to reduce the resort by overseas countries to trade restrictions and discrimination; and such negotiations can scarcely be expected to succeed if the United States is at the same time insisting that it must have complete freedom to impose restrictions on a very important segment of its imports. Secondly, far from giving up existing rights to impose restrictions, governments of other countries are likely to be incited by the example of the United States to seek broad waivers to release them from obligations, agricultural or otherwise, which they anticipate may involve them in economic difficulty or political embarrassment. Thirdly, the balance of the Agreement for many countries besides Canada will be seriously upset if the United States seeks and obtains a waiver covering agricultural imports; indeed many members of the Agreement are concerned that it is already unbal-

anced in favour of countries exporting foodstuffs and materials. Finally, it would seem that the integrity of the Agreement would be threatened if a major country used the waiver procedure to gain exemption from obligations relating to a major segment of its trade. This would be particularly the case if such waivers were obtained against the opposition of the country or countries chiefly affected.

Under the General Agreement, the Governments of Canada and the United States have stood together and worked together for the reduction of trade barriers and the elimination of discriminatory restrictions. Trade between Canada and the United States constitutes the most important sector of the trade facilitated by tariff concessions under the Agreement; each country is the other's best customer.

In all the circumstances, the Canadian Government would urge that the Government of the United States should not press forward, in Geneva, with a request for a waiver which the Canadian Government has no alternative but to oppose.

L.B. PEARSON

105.

DEA/9100-AO-40

*Compte-rendu d'une réunion
entre les ministres du Canada et des États-Unis*

Record of Meeting between Canadian and United States Ministers

SECRET

[Washington], January 6, 1955

The meeting between Canadian and United States Ministers that took place at the State Department on the 6th of January might be described as a series of variations played over a fundamental deadlock. The presentation of the Canadian case clearly had some effect on the United States representatives; but it is impossible to predict whether the United States position will be modified in consequence. No compromise solutions were suggested by either side, although the examination of what some of the United States representatives took to be the implications of remarks made by the Canadian Ministers led to discussion of several possible expedients to solve the problem. Most, if not all, of these expedients, however, were rejected as impracticable during the course of the meeting.

2. The fundamental Canadian position was enunciated by Mr. Pearson in his opening statement. The Canadian public, he said, was becoming restive about the General Agreement. The view was common in Canada that, whereas tariff concessions granted by Canada under the Agreement had been maintained intact, there was a good deal of flexibility, to say the least, in the reciprocal concessions granted by the United States. As a result of this sense of dissatisfaction, pressure was increasing in Canada for higher tariffs. The United States demand for an unlimited waiver to operate Section 22 of the Agricultural Adjustment Act would certainly increase this pressure. It would also weaken the value of the whole GATT system in Canada, since no agricultural concessions granted under its auspices could be regarded as firm.

3. It was appreciated in Canada that in administering Section 22, the United States Administration had endeavoured to injure Canadian economic interests as little as possible. On the United States side, it might be argued that in the light of this experience Canada should be willing to trust the United States to make mild and sparing use of the proposed waiver and to consult fully with the Canadian Government with a view to minimizing the adverse effects in Canada of action taken under it. With at least equal force, however, it could be replied that the Canadian Government had tried to cooperate sympathetically

whenever the United States felt obliged to invoke Section 22 because of its pressing agricultural problems. In the past, *ad hoc* solutions had proved adequate. Why could the United States Government not trust Canada to show a similarly cooperative spirit in future when particular problem had to be solved, instead of seeking a general waiver?

4. It should be realized that such a waiver would involve an open split between the United States and Canada that could not help but disturb relations between the two countries. This would be a high price to pay for getting Congressional approval of the General Agreement. Further than that, the effort to obtain a two-thirds majority from the Contracting Parties would have an adverse effect on international cooperation generally. It should also be borne in mind that as payment for the support that would be required from other countries, the United States would almost certainly have to release certain of those countries from their GATT obligations. Far from giving up existing rights to impose restrictions, other countries would be incited by the example of the United States to seek broad waivers to release them from commitments, agricultural or otherwise, which they anticipated might involve them in economic difficulty or political embarrassment.

5. Canada would be caught in the middle between the forces that would thus be unleashed. But the broad consequences of the United States effort to obtain a general waiver would perhaps be even more serious; and in the process the benefits anticipated by the United States might well be more than neutralized. In particular, the promising movement towards convertibility would suffer a set-back; and the whole GATT system might become more shadow than substance.

6. If a major country were to suggest a waiver procedure to gain exemption from obligations relating to a major segment of its trade, it would be difficult, if not impossible, for Canada to participate in subsequent tariff negotiations under GATT auspices. Specifically, this difficulty would arise in the case of the forthcoming negotiations with Japan, since many of the Canadian concessions which would benefit Japan would involve triangular negotiations with the United States.

7. After summarizing the arguments he had presented, Mr. Pearson concluded his statement by putting the question whether it was wise or necessary to abandon the procedures that had been previously followed for *ad hoc* solutions and to seek instead a general waiver in the hope that this would ensure approval for GATT by Congress. It would be for the United States authorities, of course, to answer that question. But he and his colleagues believed they had a duty to let the United States Government know their position on this matter as something which might have a bearing on the decision. They had therefore come to Washington to make it clear that Canada would have no alternative but to oppose the granting of such a waiver.

8. Mr. Howe spoke next, and began by saying that he was not disturbed over the past. Canada would be quite prepared to support actions taken hitherto under Section 22. However, he would like the United States to solve its problem by something other than a blanket waiver. He felt that he could rely on the United States to recognize that Canada must live, and not to take actions that would make that impossible. He was more worried about the repercussions elsewhere of a general waiver. Counter proposals were being prepared by OEEC countries, and they could be extremely damaging to Canada's overseas trade.

9. Mr. Howe also suggested that the latitude permitted by Article XI of the existing General Agreement had not been fully explored by the United States. Was it not possible within the terms of that Article to accommodate past restrictions imposed under Section 22 and also any future restrictions that might be necessary? It seemed to him that the United States authorities had overlooked this possibility. He also pointed out that there were very

few agricultural commodities at present under price support in the United States which had not yet been subjected to the operations of Section 22. Among them were wheat (other than milling wheat), potatoes, wool, beans and honey. It might be possible, he indicated, for Canada to agree to waivers covering those commodities. In view of these alternative possibilities open to the United States, he could not see why a blanket waiver was necessary.

10. Referring to his responsibilities for the Canadian tariff and for the budget, Mr. Harris said that the one thing that was continually mentioned by applicants in Canada for higher protection was that Canada had never chipped away at the tariff concessions it had granted, while tariff concessions granted to Canada in exchange had been reduced by one means or another. This argument would acquire added force and urgency if the United States were to press for a general waiver to operate Section 22. The tariff concessions that Canada had obtained to facilitate the entry of its agricultural commodities into the United States market were among the most important that it had secured in multilateral negotiations. In ordinary circumstances Canada would want to participate in further rounds of tariff reductions. But that would become virtually impossible if the United States obtained a general waiver to justify future restrictions on agricultural imports.

11. The formal United States reply was delivered by Mr. Dulles. He claimed that in its foreign economic relations the United States had followed in recent years a responsible course in the face of very considerable difficulties. Because of the continental scale of the United States economy and its great productive power, it was difficult for the voters in this country to grasp fully the importance of foreign trade. More than most other people, Americans inevitably were prone to the illusion that they could get along without trading outside their own borders. As a result, there had been zigzags in United States foreign economic policy. At the last session of Congress, the President had not been able to make so much progress as he would have liked. But legislation was being sent to the new Congress to stabilize the commercial relations of the United States, which, if passed, should be of immense value. It was not yet certain that this effort would be successful, although the Administration was very hopeful. It would be unfortunate if just as the United States was hoping to take a step forward there should be a collapse of the GATT negotiations as the result of the United States request for a general waiver.

12. However, Mr. Dulles argued that the waiver was intended to deal with a special situation which it was believed would be temporary. Past agricultural policies in the United States had resulted in huge surpluses. Now the Administration was embarked on a programme which should reduce that abnormal situation. At the moment, it was not certain that the flexible price supports which had been enacted at the last Congress would stick; but there were grounds for confidence that the new policy would not be reversed. If that expectation were justified, the practical occasion for a general waiver would not persist for many years, although no one was yet in a position to set a date at which the need for the waiver would disappear.

13. The reason the United States had to adopt the stand it had taken in Geneva was contained in domestic legislation. There was no possibility for the present of having Section 22 repealed or amended. He hoped that an opportune time to amend the Section would come before long. But for the moment, he did not see how the United States could take any other course but to ask for the indulgence of its friends, whom he could see would face serious political difficulties as a result.

14. However, he would urge that the most important single thing that could be done to improve trade relations throughout the world would be for the United States to remove as large a measure as possible of the known instability in its own commercial policy. Exten-

sive progress in this direction would be made if the President's foreign trade measures were approved at this session of Congress, including a three-year extension of the Trade Agreements Act, a customs simplification measure and ratification of the organizational provisions of GATT. He knew and regretted that a general waiver from the Contracting Parties to operate Section 22 would create a new area of instability. But this would be far more than offset by the stabilizing effect of what the Administration thought it could get Congress to approve.

15. After this opening cannonade, the meeting developed into a musketry engagement, which, like any real battle, is difficult to describe. In the rapid cross-fire, a number of hares went skipping about. But none of them were brought down; and perhaps none of them had been real.

16. It began with Mr. Dulles asking Mr. Clarence Randall to comment on the suggestion that Article XI of the existing Agreement might be an adequate cover for any action which the United States might wish to take under Section 22. Mr. Randall disagreed. In this opinion, there were many actions which the President might be authorized to take under Section 22 that could not be justified within the terms of Article XI; and Dr. Hauge mentioned specifically the price support programme for nuts and filberts and the import restrictions that might be necessary for its success. More generally, Mr. Randall tried to explain that many of those in Congress who would oppose the General Agreement would do so on constitutional grounds which might have little or nothing to do with trade policy. It was therefore important that the GATT provisions applicable to United States agricultural import restrictions should be clearly and unquestionably compatible with Section 22. If the opponents of GATT could argue successfully that the international instrument which Congress was being asked to approve would operate to limit the effectiveness of a domestic law, the measure would be defeated in Congress. Without a general waiver, he insisted, there could not be Congressional approval for GATT; and without Congressional approval for GATT, the President's foreign trade programme would founder.

17. Mr. Harris interjected that it seemed to him that the Administration would acquire merit rather than the reverse in the eyes of Congress if in presenting its case it made a virtue of the gap between Section 22 and the agricultural provisions of GATT and boasted that in the past it had scrupulously followed Congressional wishes by implementing Section 22 even though this had involved them in trouble with the Contracting Parties. Mr. Randall replied that the past would be almost irrelevant to Congress. When the organizational provisions of the General Agreement were submitted to Congress, that would be the first time that Congressional approval had been sought. It would be fatal to the success of the measure if opponents to it could argue that the provisions of GATT were at variance with the provisions of Section 22, and that for that reason the Administration would be forced to choose in future between implementing Section 22 more narrowly than would otherwise be possible or, alternatively, carrying out the full intent of the domestic legislation and breaking its international obligations.

18. If the present Article XI of GATT was not wide enough to justify all the restrictions that might be imposed under Section 22, Mr. Humphrey wondered whether, instead of seeking a general waiver, a better approach might not be to amend Article XI so that it became as broad as Section 22. Mr. Howe said that that course could hardly be worse than asking for a general waiver. However, Mr. Randall recalled that the Canadian delegation in Geneva had taken the position that a waiver would, if anything, be a lesser evil than broadening Article XI; and after some discussion the Canadian Ministers expressed the view that an amendment to Article XI would certainly be no better than a general waiver. In an effort to explain why the United States had decided to seek a waiver, Dr. Hauge directed two

questions to the Canadian representatives. "Do you conceive," he asked first, "of any position we can take short of asking us to amend Section 22?" The Canadian Ministers replied that they realized that in present circumstances there was no hope of securing an amendment to Section 22. Dr. Hauge's second question was: "Is the kind of GATT you want compatible with Section 22?" Mr. Howe replied that it was not. If that were the case, Dr. Hauge argued that what was in the question was a fundamentally incompatible situation and that this would be recognized by the granting of a general waiver.

19. Putting a new edge on the problem that a general waiver would raise for the Canadian Government, Mr. Howe said that, if he were to accept it, he would have to rise in the House of Commons and say that he had agreed that the United States could shut out Canadian agricultural exports any time it wished. That would be an impossible situation for him to be in. Twice in the past the Canadian West had been ruined by restrictions imposed by the United States against exports of Canadian cattle. If there were a general waiver, the West could be ruined again merely by the United States adopting a price support programme for cattle and then invoking Section 22.

20. When it was recalled by Mr. Randall that the 1938 Trade Agreement between Canada and the United States had contained a waiver wider in scope than the waiver now being sought from the Contracting Parties, Mr. Howe repeated that, leaving his political problems aside, he was not so much worried in practical terms about action that might be taken by the United States as about action that might be taken by European countries. During the 1930's there had been high tariffs in almost every Western European country against Canadian wheat and other agricultural exports. If the United States were to secure a general waiver, that situation might well be duplicated.

21. Speculating further afield, Mr. Howe said that he was coming to believe that GATT might perhaps have served its day. In the past, Canada had had bilateral agreements with the United States which had worked very satisfactorily; and he was beginning to wonder whether it might not be better to go back to arrangements of that kind, especially since the kind of waiver that the United States was seeking could conceivably result in thinning the GATT right out. At any rate, he questioned why it was necessary to seek Congressional approval this year of a revised General Agreement. Could not the President's trade programme be passed this year and the GATT legislation be put over until next year, when it might be possible to write more acceptable agricultural provisions?

22. Once he had succeeded in grasping that suggestion, Mr. Randall put forward numerous arguments in rebuttal. So long ago as in his Message to Congress of March 30th, 1954,¹⁵⁵ the President had committed himself to submit the organizational provisions of GATT to Congress, he recalled. It was true that a three-year extension of the Trade Agreements Act would be debated and voted on by Congress before the GATT review was completed. Indeed, that sequence was being deliberately followed by the Administration so that GATT problems would not complicate the debate over the Trade Agreements Act. If it became known, however, within the next sixty days that a new instrument was not to be presented to Congress this year, or that the United States delegation in Geneva was not pressing for freedom to operate Section 22, GATT problems would be injected into the discussion of the Trade Agreements Act with disastrous results on its fate in Congress. Moreover, as a practical matter, it would be impossible for the Administration to continue with the present unratified Agreement. A new Agreement, approved by Congress, would be the indispensable machinery for administering the Trade Agreements Act. The Presi-

¹⁵⁵ Voir/See United States, *Public Papers of the Presidents of the United States: Dwight D. Eisenhower 1954*, Washington: Government Printing Office, 1960, Document 67, pp. 352-364.

dent had stated publicly that he would use the new authority he hoped to gain in the context of multilateral negotiations — by which he meant GATT negotiations. The President had also given many private assurances to Senators and Congressmen that the new negotiating authority would not be used until Congress had approved the organizational provisions of GATT. The only course to follow, Mr. Randall claimed, was to go forward with existing plans. The Trade Agreements Act must be extended; the GATT must be lawfully preserved; and on that basis the new trade legislation should be implemented. As for the argument that the Agreement might be thinned away by a general waiver until there was very little left, Mr. Randall claimed that a weaker GATT that had been approved by Congress would be a stronger GATT than there was at present.

23. In spite of the vigour of Mr. Randall's remarks, it was noticeable that Mr. Humphrey thought that it might be possible to separate the Trade Agreements legislation from the GATT legislation and postpone ratification of the organizational provisions of the Agreement until next year. Although the United States representatives were scattering their shots, for the most part they were standing shoulder-to-shoulder, except occasionally for Mr. Humphrey, who now and then was off on the flanks on his own.

24. Although Mr. Randall could see no alternative for the United States but to follow its present course, he said that the difficulty over Section 22 caused him great anguish. He admitted that there was very considerable justice in the Canadian case. But the United States was locked in behind words and was not at liberty to consider merely what would be right. Unfortunately, they were forced to concentrate instead on what would be feasible. He was not sure whether the United States could secure a two-thirds majority from the Contracting Parties for a general waiver. Certainly they would be very unhappy to reach that goal against Canadian opposition. When he was asked by Mr. Howe what would happen if the United States failed to get a two-thirds majority, Mr. Randall said that the United States delegation would have to announce that they could not sign the Agreement.

25. Before the meeting concluded, Mr. Waugh enquired whether it would be any easier for Canada to accept a general waiver if it contained a time limit. However, the Canadian Ministers declined that gambit and the meeting ended, as it had begun, with Mr. Pearson declaring that Canada would have no alternative but to oppose a general waiver.

26. Present on the United States side were:

The Hon. John Foster Dulles, Secretary of State
 The Hon. George Humphrey, Secretary of the Treasury
 The Hon. True Morse, Under-Secretary of Agriculture
 The Hon. R. Douglas Stuart, Ambassador to Canada
 Mr. Clarence Randall, Special Assistant to the President
 Dr. Gabriel Hauge, Administrative Assistant to the President for Economic Affairs
 Mr. Sam Waugh, Assistant Secretary of State for Economic Affairs
 Mr. Livingston Merchant, Assistant Secretary of State for European Affairs
 Mr. Ben Thibodeaux, Director of the Office of Economic Defence
 and Trade Policy in the State Department and
 Mr. Leonard Weiss of the Commercial Policy Staff of the State Department.

Present on the Canadian side were:

The Rt. Hon. C.D. Howe, Minister of Trade and Commerce
 The Hon. L.B. Pearson, Secretary of State for External Affairs
 The Hon. Walter Harris, Minister of Finance
 Mr. A.D.P. Heeney, Ambassador to the United States and
 Mr. D.V. LePan of the Canadian Embassy in Washington.

27. At the conclusion of the meeting, Mr. Pearson handed to Mr. Dulles the attached Memorandum.¹⁵⁶

106.

DEA/9100-AO-40

*La délégation à la Conférence sur le GATT
au secrétaire d'État aux Affaires extérieures*

*Delegation to GATT Conference
to Secretary of State for External Affairs*

TELEGRAM 6

Geneva, January 13, 1955

SECRET. IMPORTANT.

Repeat London No. 3; Canac Paris No. 3; Washington No. 2.

UNITED STATES WAIVER AND GATT

Since receiving the news that the United States intends to continue to seek a blanket waiver for actions under Section 22, we have been considering what course by the Canadian delegation would be most favourable to Canadian interests and the future of the GATT. The situation as we see it is as follows:

2. The United States decision (group corrupt) for a blanket waiver produces a new situation; some delegations here are going to be facing up to implications for GATT and for themselves that we have foreseen for some time but that are new to them. The chain-reaction is sure to begin spreading and it would seem to be in our interest to try to contain it.

3. Several European countries, notably West Germany and Belgium, are seeking or will seek waivers with respect to hard core problems in industry as well as agriculture now covered and camouflaged by balance of payments, import restrictions or the protocol of provisional application. German Ministers have made clear that they will not present GATT and the new trade rules to their Parliament unless their agricultural problems are recognized and provided for in GATT. The United States draft waiver, while of a blanket nature, is not adapted to trends of these European countries. As Brown told us, and as we reported yesterday, the United States draft waiver may indeed be altered to make it even less directly applicable to the European situation.

4. We are aware of two lines of thought as to the proper method of limiting the scope of possible waivers.

(a) The United States view, which is apparently supported by Australia (the latest Australian draft waiver is no improvement over the first), that the United States situation is unique and should be dealt with as such and that all other waivers including those for European countries should and can be effectively resisted. We doubt that the resistance will be effective particularly if United States gets its waiver.

(b) The view held by Wyndham White, the Executive Secretary, that the European situation should be tackled first and an attempt made to work out a memorandum of understanding under Article 25 which would require signature by at least 2/3 of the contracting

¹⁵⁶ Voir le document 104. Le document 105 a été rédigé par LePan et approuvé par Pearson, Howe et Harris.

See Document 104. Document 105 was drafted by LePan and approved by Pearson, Howe and Harris.

parties. This would set out conditions under which individual waivers would be granted for hard-core problems as and when they were sought in the future. The endeavour would be to include in the memorandum rigid conditions as to duration, fair shares, period review and progressive removal; and commodities that were under restriction on a date laid down in the memorandum would be eligible for a waiver and all of these would not necessarily be approved. Saunders of the United Kingdom delegation showed us a document prepared by the German delegation which indicates that they could accept such conditions. He also indicated that the Belgians could accept something of the same sort.

5. We have fought vigorously during the present session against both European and American waivers. We shall continue to state our unalterable opposition to the present American proposal. We do propose for consideration, however, that in view of the way the situation has developed Canadian delegation, while not necessarily at this stage supporting a memorandum applicable to European hard-core problems, should actively encourage the Executive Secretary to negotiate such a memorandum on as strict terms as possible to deal with European problems as they arise. Our reasons for proposing this line of approach are as follows:

(a) The European request for accommodation will, in any event, have to be met in some form or other;

(b) It is true that the memorandum will in effect guarantee the grant of waivers if and when they are sought but as indicated above the Germans insist on this as a minimum;

(c) The conditions which it may be possible to write into the memorandum will probably be more restrictive than those which could be forced into each individual waiver when sought. A number of countries including the Scandinavians, United Kingdom and ourselves and indeed the United States itself are worried about the effect of European protectionism and can be counted upon to insist on a memorandum with the strictest possible conditions.

(d) It will be in the interest of European countries, the United Kingdom and Canada to resist the American effort to obtain a blanket waiver to cover particular United States problems since such a waiver would tend to undermine the effort to get agreement on strict conditions to apply to European waivers. If agreement can be reached we may be able to count on the opposition of *all* European countries to a blanket United States waiver.

(e) In short, we believe that such an approach if successfully carried through would make it extremely difficult for the Americans to carry their present blanket waiver in GATT.

6. We have shown Saunders of the United Kingdom a copy of our message No. 4 of January 11† giving the results of Canadian representations in Washington as reported to us and told him that of course we now had no reason to ask the United Kingdom to delay discussions with the Europeans. We encouraged him to let Wyndham White take the initiative in preparing a draft memorandum having in mind the undesirable United Kingdom type of waiver outlined to Sharp and Robertson in London by Lee and Cohen and reported in message No. 5 of January 4 from London to Ottawa.

7. You will be in a better position than we are to assess the results of possible failure by the United States to mobilize the required majority (2/3 of those voting and 1/2 of the contracting parties) in support of their blanket waiver. Our analysis, for what it is worth, is that such a situation would require the United States to give more serious consideration than they have hitherto given to the detrimental effects on the GATT as a whole of their extreme demands. In their present mood the Administration obviously wish to facilitate passage of the GATT organization through Congress and are trying to get as broad a waiver as possible for that purpose. Congress may, however, be prepared to take either no

waiver or a more limited form of waiver; even if the Congress imposed conditions on GATT's ratification it is better in our view to have Congress impose those conditions (which in effect are already in Section 22) than for the GATT to agree to them in advance. In any event, it is United States action rather than United States law about which we are concerned.

8. Looking to the immediate situation, the United States delegation is already starting to broaden the discussion and to seek support for their waiver. Accordingly you will wish to consider what action we should take in relation to this activity. We assume that you will not wish us to withdraw from all discussion of these fundamental matters and, accordingly, that at the very least you would wish us to put forward the Canadian position whenever called upon to do so along the following lines:

(a) While a blanket waiver might facilitate passage of the GATT organization through Congress it is by no means certain that it is needed for this purpose;

(b) In any case, such a waiver would be so damaging to the fabric of GATT and Canada-United States relations that the Canadian delegation would unquestionably vote against it;

(c) If the United States delegation wishes to seek a reasonable sort of waiver bearing some resemblance to waivers that may be given to European countries in future they should put it forward for consideration. In regard to the form of waiver that might possibly emerge under (c) above, we are now inclined to believe that "waivers for past actions" might be of less help to the United States Administration in Congress and would probably gain less support amongst the other delegations here than a waiver based on the "fair shares" approach covering a limited period and providing for periodic reviews and removal of basic causes. Waivers for past United States actions involve explicit admission by the United States that they are infringing the GATT; and Brown emphasized to us that such waivers were of very little interest to them.

9. We think that on the basis of evidence available now there is a fair chance (although by no means a certainty) of enlisting sufficient opposition to prevent the approval of the present United States waiver or anything like it. To do this we shall have to enter the field far more actively than suggested in the preceding paragraph. We appreciate the serious implications which this involves, not only with respect to Canada-United States relations, but also in the partial abandonment at least of our opposition to a continuation of European protectionism. Moreover, this approach might sooner or later involve us participating in the review or amendment of a limited United States waiver and thus the delegation would become in a measure associated with it even though we might fully reserve the position of the Canadian Government in regard to a final vote.

10. We need instructions most urgently. (Please repeat them to Canac Paris).

107.

DEA/9100-AO-40

*Le secrétaire d'État aux Affaires extérieures
à la délégation à la Conférence sur le GATT*

*Secretary of State for External Affairs
to Delegation to GATT Conference*

TELEGRAM 28

Ottawa, January 14, 1955

CONFIDENTIAL. IMMEDIATE.

Reference: Your Telegram No. 6 of January 13, 1955.

Repeat Canac Paris No. 67; London No. 78; Washington EX-77.

UNITED STATES WAIVER AND GATT

We have not had an opportunity to obtain the views of Ministers on your message but have discussed it interdepartmentally and wish you to know our views immediately.

2. We recognize that a carefully circumscribed waiver, if it were acceptable to the Americans and the Europeans, would not be as damaging as the general waiver proposed by the United States. However, there is no chance whatever that the U.S. will accept a waiver along the lines of paragraph 4(b) of your message on which we would, in any case, have reservations e.g. the apparent absence of a price support or other type of agricultural programme as a necessary condition for import restrictions. The European proposal taken by itself is clearly against our interests and our only reason for being associated with it in any way would be to defeat the American proposal. This is a very hazardous position for us to take. First, once the Europeans have what they want for themselves, they will have little reason (except in one or two cases) to oppose the American waiver. Second, if the Europeans get their waiver with our support or acquiescence and the Americans subsequently get their waiver despite our opposition, we shall have the worst of both worlds. Our relations with the United States will be impaired and we shall be in a weaker position to make representations to them in particular cases because we shall have compromised our principles in dealing with the European waiver. For these reasons, though we must continue to oppose the American waiver, we do not believe that we should assume the special responsibilities involved in siding with the Europeans (from whom we may have still more to fear) in an attempt to defeat it.

3. In the circumstances our view is that the right course is for us to continue to oppose the American waiver and not to promote or support the European proposal.

4. We shall be consulting Ministers as soon as possible and we expect that they will confirm these instructions.

5. Incidentally, as indicated in an earlier message, we are still awaiting a formal reply from the United States Government. Until we receive such a reply, we are not assuming that they have taken a final decision on our ministerial representations.¹⁵⁷

108.

DEA/9100-AO-40

*La délégation à la Conférence sur le GATT
au secrétaire d'État aux Affaires extérieures*

*Delegation to GATT Conference
to Secretary of State for External Affairs*

TELEGRAM 14

Geneva, January 18, 1955

SECRET. IMMEDIATE.

Repeat London No. 7; Washington No. 6.

¹⁵⁷ Ces instructions ont été confirmées par les ministres, au courant de la question, ceux-ci estimant « that a measure of 'masterly inactivity' on our part would not be inappropriate at this stage. » Ottawa à New York, télégramme N° 30, du 15 janvier 1955, MAE/9100-AO-40.

These instructions were confirmed by the appropriate ministers, who thought "that a measure of 'masterly inactivity' on our part would not be inappropriate at this stage." Ottawa to New York, telegram No. 30, January 15, 1955, DEA/9100-AO-40.

GATT—UNITED STATES WAIVER

The position taken by Waugh in Paris as reported in our telegram No. 12 of January 18† would seem to constitute a definite reply to the representations made at the ministerial meetings in Washington. Although formal confirmation of this position is yet to be received we are now forced to the conclusion:

(a) That the United States will press forward in its intention to complete the GATT review and put the GATT organization before Congress at this session and

(b) That for this purpose they will use all means at their disposal to get the contracting parties to give them a waiver permitting the administration full freedom to operate Section 22. In these circumstances it seems necessary to reconsider what course is least damaging immediately and ultimately to the position of the Canadian Government.

2. One course would have been to obstruct the United States intentions as far as possible. This delegation might have actively enlisted opposition to the United States proposed waiver. This course was valid as long as there was any hope of employing it as a means of dissuading the United States from their blanket waiver or from pressing forward with the review. However, the United States position appears quite immovable. Further the time is passing, indeed may already be past, in which this course is practicable; the United States are already hard at work firming up support for their waiver.

3. Another course is for Canada to continue to stand aside and let the United States waiver take its course. In this case we believe that the waiver will be adopted in some form not far removed in essentials from the present. Our position might be interpreted (as indeed Frank Lee interpreted it in London) as Canada being prepared to vote against the United States waiver in the confident expectation that the waiver would carry thus preserving Canada's bilateral bargaining position with the United States while avoiding all the serious and far-reaching consequences in the United States and in the GATT review which would now, in the light of discussions in London and Paris, appear to follow from defeat of the United States proposal.

4. We have been giving a lot of thought to the implications of voting against an eventually successful American waiver. It is true that in future bargaining with the United States it would provide us with a useful grievance; further, any evidence that the Canadians are "standing up to" American pressures is likely to be popular in Canada. On the other hand, the degree to which our bargaining position would be strengthened can be exaggerated. Further, and far more important, the position of the Government in resisting rising protectionist pressures at home would be greatly weakened. Those who oppose GATT and all it represents would be able to claim with some force that they fully agreed with the Government in opposing the waivers; that it had indeed weakened the GATT and undermined the basis of Canadian-American trade relations; and that accordingly little attention need be paid to Canadian obligations under the GATT.

5. Our growing worries on this score have forced us to examine with little enthusiasm still another course. The United States is demanding, for presentational purposes, a waiver which gives them complete freedom to operate Section 22; in other words, it must be a blanket waiver which we have said we shall oppose. This would seem to rule out any possibility of compromise. Nevertheless, it may be worth considering whether the waiver could not be drawn in such a way as to state, or clearly to imply, that the continuance of the waiver is subject to good international behaviour on the part of the United States.

6. We have therefore thought over the possibility of meeting their presentational needs while introducing into the same waiver (A) some language that is sufficiently firm to serve Canada as a basis of negotiation in Washington if and when new restrictions are imposed,

and (B) some further language which can serve to make the waiver reasonably defensible in Canada. All this would be the height of hypocrisy if we believed the United States intended to make broad use of the sweeping escape that they are demanding; but since their need is essentially formal and presentational it may be that we can meet it in a similar vein.

7. You will, of course, have noticed that first Weiss (our telegram No. 18 January 12 re WA-38)† and then Waugh and Brown (our telegram No. 12 of January 18) have invited us to try to “tighten up” their waiver. These invitations may be a trap. On the other hand we are inclined to think that they were given in good faith on the basis of the deep impression left by our Ministers in Washington and that if we can allow the United States what they consider they need in the waiver they may be disposed to go just as far as possible in adapting it towards our needs. If such a composite waiver exists (and we are not convinced that it does) it would, of course, permit the United States to move forward in its course while allowing the Canadian Government to continue its traditional support for the GATT as bulwark against protectionist pressures.

8. Any such possibility should, of course, be explored in the first instance not in Geneva but in Washington. It would constitute a response to the invitations mentioned in the previous paragraph. Further, the matter is too important to be raised here and the United States Delegation exercises too little influence at home. If you see merit in this course a member of this delegation, presumably Sharp, could return at short notice.

9. In order to give shape to our thoughts we have tried our hands at a first draft of a composite waiver which will be found at the end of this telegram. In preparing this draft we have, as you will gather, depended on the doctrine (which Weiss said the Washington legal experts accepted) that as long as a waiver does not include a time-limit it can be withdrawn at any time (and we would add by a simple majority of the contracting parties). If this doctrine can be effectively linked with firm review procedures and the existing provision for fair-shares to be found in Article XI as a criterion for the review — then we on our side can claim that while the United States may have been given a “blanket waiver”, they have only been given it subject to good behaviour. This might make the waiver presentationally possible in Canada; further, the embodiment of the fair shares doctrine would serve as a basis of negotiations from time to time on particular products in Washington.

10. Here follows the substantive paragraphs (10), (11) and (12) of a composite draft. It is based on the United States draft. The first nine paragraphs of that draft constituting the preamble would also require some alterations but these can be left for later discussion pending consideration of the major issue.

Proposed redraft of concluding paragraphs of United States waiver

(10) The contracting parties decide in accordance with paragraph 5(a) of Article XXV of the general agreement that the provisions of Article XI of the agreement shall be waived to the extent necessary to prevent a conflict with such article in the case of action required to be taken by the Government of the United States under Section 22 of the Agricultural Adjustment Act as amended and annexed to this waiver in cases in which it is found by the President of the United States after investigation that such products are being or are practically certain to be imported in such quantities and under such conditions as to interfere materially with, or render ineffective, a programme undertaken by the United States Department of Agriculture or any agency under its direction with respect to an agricultural commodity or product thereof.

(11) *As a condition* to the granting of this waiver the United States *undertakes*

(a) To give notice in advance of any proposed action under Section 22 to any contracting party likely to be affected by that action and to provide an opportunity to each of them to express their views in ample time to affect the proposed action;

(b) To take into consideration when applying restrictions under this waiver, the provision of Article XI of the general agreement that restrictions shall not be such as will reduce the total of imports relative to the total of domestic production as compared with the proportion which might reasonably be expected to rule between the two in the absence of restrictions; and that in determining this proportion due regard shall be paid to the proportion prevailing during a representative period and to any special factors which may have affected or may be affecting the trade in the products concerned;

(c) To report promptly to the contracting parties any measures taken under this waiver;

(d) To relax or remove any restrictions imposed under this waiver as soon as it is found under the provisions for the administration of Section 22 that circumstances no longer require their imposition;

(e) Upon request by a contracting party which considers that its interests are seriously prejudiced by reason of restrictions imposed under this waiver, to discuss with the contracting party or parties concerned, or with the contracting parties, the need for or the level of the restrictions.

(12) At least once every twelve months the contracting parties shall review this waiver. They shall consider whether and to what extent the circumstances including those in paragraphs (2) and (3) leading the contracting parties to grant a waiver still obtain. They shall review the measures taken by the United States under this waiver in the light of the undertakings in paragraph (11), the explanations in paragraph (5) and the assurances in paragraph (8).

109.

DEA/9100-AO-40

*Le secrétaire d'État aux Affaires extérieures
à la délégation à la Conférence sur le GATT*

*Secretary of State for External Affairs
to Delegation to GATT Conference*

TELEGRAM 39

Ottawa, January 20, 1955

SECRET. IMMEDIATE.

Reference: Your telegram No. 14 of January 18.

Repeat London No. 105; Washington No. 105; OEEC Paris No. 88.

GATT U.S. WAIVER

Your thoughtful message has been very carefully considered by Mr. Howe, Mr. Harris and Mr. Pearson. The following are their views.

2. The considerations mentioned in your paragraph 4 are fully appreciated. We realize that the effectiveness of the GATT in restraining protectionist pressures here and elsewhere will inevitably be weakened by the action which now seems likely to be taken on the United States waiver. We feel, however, that acceptance by us of a waiver which had merely been changed superficially would be a quite transparent device and would not significantly increase the usefulness of GATT in enabling the Government to resist claims for protection, so long as the United States was given what in effect would be (and would

necessarily be represented to Congress as being) a blanket waiver. Justification of the Government's trade policies would have to rest essentially (as in the past) on a recognition by various groups in the country and by the country at large that such policies were in our own national interest. Even if acquiescence by us in a somewhat embellished waiver might contribute to an impression that the integrity of the GATT was somehow being preserved, such acquiescence would at the same time alienate the support of important agricultural groups who felt threatened by actions which the United States might choose to take. Equally important, if we were to go along with a slightly modified U.S. waiver, it would be difficult to find grounds to oppose similar waivers for European countries. As indicated in our telegram No. 28 of January 14 we wish to keep ourselves in a position to oppose such European waivers as effectively as possible.

3. It would seem clear that what we (and the United States Administration) are confronted with is a situation in which the positions of the United States and Canada are fundamentally irreconcilable on an issue to which both countries attach great importance. This is obviously not a happy situation for either country. While we see no way out of this impasse we are naturally anxious to do what can reasonably be done to minimize the damage to our relations and to the status of the GATT. With these considerations in mind our Ministers (while at the same time reaffirming the instructions in our telegrams Nos. 28 and 30) feel that the reply to the invitation from the U.S. referred to in your paragraph 7 should be along the following lines:

(a) You might point to our common interest in avoiding unnecessary damage to the GATT and to relations between us.

(b) You might reiterate that we have no alternative but to oppose the blanket waiver requested by the United States regardless of any minor modifications which may be made in it.

(c) You might express the hope that the United States would be sufficiently impressed by the representations made by our Ministers to volunteer on their own initiative certain changes in the waiver proposal which would provide a clear indication of a desire to meet our views to the maximum possible extent.

(d) If such changes are introduced on the initiative of the United States and if their waiver is approved by the Contracting Parties we would be prepared to make a statement recognizing the efforts which the United States had made to meet our position. We would, of course, have to conclude by saying that despite the efforts which had been made it had not been possible to reconcile our positions, and that accordingly we should have to oppose the waiver. Such a statement would then become the keynote of what was said in Canada in attempting to minimize the damage to Canadian-American relations and in explaining our continued support of GATT.

(e) At the same time you should make it clear, in order that they might be under no illusion, that in the statement referred to above we would have to reserve our freedom subsequently to take whatever steps seemed appropriate with respect to United States exports to Canada in the event that, contrary to our hopes, actions are taken under the waiver which injure our trade or impair concessions which we had previously secured.

4. Incidentally there might be some implication in the version of our position attributed to Frank Lee in your paragraph 3 that Canada would not be unhappy if the U.S. waiver were to be granted over our opposition. We would in fact welcome the defeat of the waiver by a vote of the Contracting parties acting independently and in their own interests.

110.

DEA/9100-AO-40

*Le haut-commissaire au Royaume-Uni
au secrétaire d'État aux Affaires extérieures*

*High Commissioner in United Kingdom
to Secretary of State for External Affairs*

TELEGRAM 77

London, January 21, 1955

CONFIDENTIAL

Following personal for the Minister from Robertson, Begins: You asked me to give you my personal views on the way GATT negotiations are going. I must say that I am worried about the isolated position our delegation must be in as a result of their instructions to hold the line against a waiver for the United States and to take no part in the drafting of such a waiver, and for practical purposes to remain outside any substantive negotiations that may be undertaken in Geneva to limit and define the terms of a waiver for the European countries.

2. From the Embassy's report on the Ministerial discussion in Washington it seems clear that unless the United States gets an acceptable waiver it will not sign the revised general agreement. Indeed I think it had been apparent from earlier telegrams from Washington and other evidence that it would be politically impossible for the administration to present to Congress the organizational provisions of the new general agreement if the substantive provisions were quite inconsistent with Section 22 of the Agricultural Adjustments Act and there was no waiver. I think we have to take it for granted that there must be a waiver for the United States if there is to be a new general agreement, and I do not think this difficulty can be overcome by persuading countries to scrap the review and carry on the old general agreement. Too many countries — the under-developed group, Australia, the United States itself — are publicly committed to the revision of the agreement at this session.

3. Even if we found that we could muster enough votes to keep the United States from getting the necessary two-thirds in support of their waiver, I am far from convinced that it would be wise to defeat the United States on this issue. Have we really examined the implications of driving the United States out of GATT and presumably destroying the agreement? In any case I do not suppose there is any real chance that we can muster enough votes. Most of the countries which do sympathize with our point of view and have given us some support up to now would probably not vote against a waiver in the last resort. Certainly the United Kingdom does not think it could. It is most probable therefore that the United States will get a waiver that it can accept. Do we intend to leave GATT when we find that we cannot prevent the United States from getting a waiver? Surely an incomplete and unsatisfactory agreement would still be far better for us than no agreement at all. If then we intend to remain in the agreement, I think we would have far more chance of getting a tolerable United States waiver if our delegation could participate in the drafting and negotiating stages. If they were free to participate I think they would have a pretty influential position. Otherwise they are very likely to find themselves in a position similar to that of our delegation to the OEEC during the discussion of dollar import restrictions a few weeks ago when they were unable to get amendments made to a draft resolution which had been worked out in long and difficult negotiations in which we were not represented.

4. I had always been attracted by the notion of according to the United States in a waiver a transitional period during which they could gradually get their agriculture into balance. I had hoped it would be possible to have the United States case treated as a unique situation

and one for which there was some historical justification. This was the basis of my telegram No. 1573 of December 22. It is apparent now, however, that other countries such as Germany and Belgium are determined to have some kind of waiver for their own agricultural protection. If so, it will be very hard for any United Kingdom Government to forego the right of following their example. In these circumstances I thought there was some tactical merit in the suggestion in the delegation's telegram No. 6 of January 13 to you that a memorandum of understanding embodying pretty rigid conditions for waivers to European countries should be worked out under the leadership of Wyndham-White with the United States and ourselves actively participating in the negotiations. Once such a precedent was established for applying strict safeguards to agricultural waivers the terms of a subsequent waiver for the United States could hardly fail to be affected.

5. I agree that in principle waivers for European countries are against our interest. At the same time I think it can be taken for granted that some of these countries are going to maintain their agricultural protection in one way or another. I think it is easy to overestimate the implications of this for Canada. I doubt whether many of our agricultural products, with the exception of grains, are really competitive in terms of price in most European markets, and I would not expect grains to be seriously affected. In any event it would surely be preferable to ensure that any restrictions these countries retain are carefully circumscribed, periodically reviewed and progressively removed. Ends.

[N.A.] ROBERTSON

111.

DEA/9100-AO-40

*L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures
Ambassador in United States
to Secretary of State for External Affairs*

TELEGRAM WA-123

Washington, January 22, 1955

SECRET. IMPORTANT.

Reference: Your telegram EX-106 of January 20 and telegram No. 6 of January 18 from Gatdel Geneva.

GATT — UNITED STATES WAIVER

We have read with great interest both the telegram under reference from our delegation in Geneva and your reply. Although we know that it is impossible for us here to estimate accurately all the factors involved and in particular to assign due weight to political considerations and the state of opinion in Canada, we think it is our duty to let you know what, in our view, might be the consequences of adopting policies other than those which have been recommended by our delegation in Geneva. We do so, of course, only on the basis of information available to us in Washington.

2. First, however, we should like to offer some recent evidence which serves to corroborate the analysis of the present United States position given by our delegation in Geneva. We agree with them that it must now be accepted as a fact that the administration intends to submit the organizational provisions of GATT to Congress at this session, and has not been deflected from that purpose by the representations made by Canadian Ministers on the 6th of January. On Monday of this week, when the Secretary of State was testifying

before the House Ways and Means Committee on an extension of the Trade Agreements Act, he was asked if the general agreement would be submitted to Congress for approval when the present review session in Geneva was concluded. Mr. Dulles replied that GATT would be submitted; and he made it clear that he meant *at this session* by adding that the conference at Geneva had been expected to finish at the end of January, but that it now looked as if it would run into February.

3. We also agree that the administration is determined to retain full freedom to operate Section 22 of the Agricultural Adjustment Act. A further indication of this was provided by the Secretary of Agriculture testifying on the same day as Mr. Dulles. Although HR1 (which is the bill to extend the Trade Agreements Act) is sponsored by the administration, Mr. Benson said that he was worried that some provisions of the bill might disturb the protection granted by Section 22 to United States agriculture. "So long as the United States has a domestic farm support programme", he stated, "which maintains domestic prices above the world level, it is essential that authority be retained to restrict imports into the United States under the domestic price support programme". We have learned from the State Department that Mr. Benson's worries arise from a misinterpretation of one section of HR1 and that an attempt has already been made to set him straight. However, his statement provides additional evidence, if any were needed, that the administration is determined to secure an unlimited waiver from the contracting parties to operate Section 22.

4. Turning now to the course that has been reluctantly recommended by our delegation in Geneva, we are keenly aware that it would involve very serious difficulties in Canada. Nevertheless, we think that the possible consequences of the only alternative policies should be fully explored and appreciated.

5. As we see it, there are three possible courses open to us if it is decided not to work for a waiver that would be at least "presentationally" more attractive than what has been proposed by the United States hitherto:

(a) We could vote against a general waiver, without endeavouring to marshal support against it, and then sign the agreement even though the waiver had been approved by two-thirds of the contracting parties.

(b) We could vote against the waiver and use all our influence in the hope of defeating it.

(c) We could both vote against the waiver and refuse to sign the agreement if the waiver were approved.

From your telegram under reference to Geneva, we infer that there is now little disposition to refuse to sign the agreement, so that that possibility may perhaps be left out of account.

6. Although the other two possible courses shade into one another, they are nevertheless separable; and indeed our tactics, both in Geneva and, to a lesser extent, here, would be largely determined by which of them might be adopted. What would be the consequences if we were to follow one or the other of these policies?

7. In my telegram WA-10 of January 4,† I pointed out that it might be difficult to explain in parliament why we supported the agreement although disapproving so strongly of the waiver, which by that time would be for all practical purposes an integral part of the agreement. Our delegation in Geneva has gone further and drawn attention to the fact that in that case the position of the government in resisting rising protectionist pressures would be greatly weakened. I agree. However, it seems to me that they have not dealt with sufficient vigour with the argument that our bargaining position in future negotiations with the United States would be strengthened if we voted against the agreement, even though it were approved over our opposition. It seems to me that our position in negotiating with the United States over agricultural import restrictions in future would, in all probability, be

weakened rather than strengthened by such action. In my mind there is little doubt that such action by the Canadian delegation in Geneva would lessen the previous predisposition that has been shown here to find solutions that would do little, if any, injury in Canada. It seems to us that United States negotiators would be likely to enter future negotiations on such issues in a more cold-blooded temper; and calculations of the immediate interest of the United States would be held in check by little more than the President's benevolence towards the allies of this country and by his appreciation of the importance of Canada in continental defence. United States negotiators would no doubt be wary of precipitating a trade war with Canada. But they would also know that in such a situation Canada would not hold all the trumps.

8. So much for the consequences of voting against the waiver but not working actively to have it defeated. But from the concluding sentence of your telegram under reference, we gather that you would be glad to see the waiver defeated. What then would be the consequences of joining battle and winning? It is difficult to be sure. But in that situation the argument outlined in the paragraph above would be likely to apply with redoubled force. Further, it would be mistaken, in my opinion, to discount too confidently the United States argument that if the waiver were defeated, Congress would refuse to ratify the organizational provisions of GATT and the administration would be unable to join in tariff negotiations to make use of the new authority that it is hoped will be given to the President.

9. That there would be sharp recriminations against Canada in that event is not open to question, in my view. One unfortunate and no doubt unintended result of the representations made to United States Ministers on the 6th of January has been that the idea has gained currency here that the Canadian Government no longer attaches importance to multilateral arrangements for regulating world trade and is ready to return to bilateral agreements. It should also be remembered that there is some fertile soil here for such suggestions. Mr. Humphrey, for example, would be far from unresponsive to bilateral arguments, which he might interpret in ways that we might not find wholly congenial. If the waiver were to be defeated in large measures because of Canadian opposition, the novel suspicion which has been troubling many minds here during the last few weeks that Canada would be ready to abandon its multilateral doctrines, might easily harden into a conviction, however unwarranted, that we were prepared to precipitate a retreat into bilateralism.

10. We are not clairvoyant enough to see what the wider consequences would be of a refusal by Congress to ratify the general agreement. We do believe though, that the administration is on the point of taking a decisive, although modest, step to set United States foreign economic policy in the direction of freer trade. On the other hand, we know there is considerable sentiment within the Cabinet that is opposed to the President's liberal views. If the administration were to suffer such a serious disappointment as failure to secure Congressional approval for GATT because of inability to obtain a general waiver from the contracting parties we think there would be a real risk of the trend that it is trying to set towards freer trade being reversed. We realize that you are giving consideration not only to Canada's immediate commercial interests and to the political problems that the request for a general waiver has raised, but also to those principles of international trade which are most likely in the long run to produce the kind of climate throughout the world in which Canada can prosper. At the same time, we hope you will consider the paradoxical possibility that in present circumstances some sacrifice, both of principle and perhaps of immediate interest, may be the course best designed to promote the establishment of those economic conditions throughout the world that would be to our lasting benefit.

A.D.P. HEENEY

112.

DEA/9100-AO-40

*L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures
Ambassador in United States
to Secretary of State for External Affairs*

TELEGRAM WA-147

Washington, January 26, 1955

CONFIDENTIAL. MOST IMMEDIATE.

Reference: Our WA-91 of January 19.†

REPRESENTATIONS TO THE UNITED STATES GOVERNMENT
CONCERNING THE GATT REVIEW

Late this morning I was called to the State Department by Sam Waugh, Assistant Secretary for Economic Affairs, to receive the United States reply to the memorandum that was left by Canadian Ministers on the 6th of January. My immediately following telegram† contains the text of the memorandum in reply, together with the text of the revised United States proposal for a general waiver, which was annexed to the memorandum.

2. Waugh explained that the text of the United States proposal was being given to the Canadian Government before being shown to any other of the contracting parties. He said, however, that the United States delegation in Geneva was anxious to discuss it informally with other delegations as quickly as possible, and to have it formally tabled at the beginning of next week. He therefore hoped that if the Canadian Government had any comments to make on the revised proposal that might have a bearing on the time at which it was submitted to the contracting parties, some indication to that effect might be given without delay. It was hoped to circulate the revised draft among a number of delegations at Geneva on Friday, January 28. However, Waugh said that he would not send a telegram to the United States delegation in Geneva authorizing them to circulate the draft until 5 o'clock tomorrow afternoon.

3. Waugh drew my attention to the suggestion in the United States memorandum that negotiations concerning the United States proposal for a waiver should be conducted in Geneva. He added, however, that the United States Cabinet Ministers who had met with Canadian Ministers earlier this month would be grateful to receive through me some word of the Canadian reaction to the United States reply.

A.D.P. HEENEY

113.

DEA/9100-AO-40

*Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis
Secretary of State for External Affairs
to Ambassador in United States*

TELEGRAM EX-150

Ottawa, January 27, 1955

CONFIDENTIAL. IMMEDIATE.

Reference: Your WA-147 and WA-148† of January 26.

Repeat Gatdel Geneva No. 49; London No. 145; Paris No. 109.

REPRESENTATIONS TO THE U.S. GOVERNMENT
CONCERNING THE GATT REVIEW

Would you please inform the State Department orally that the U.S. memorandum has now been studied carefully and compared with the earlier version of the waiver proposal which had been supplied to our Delegation. Our conclusion is that the new draft represents no improvement and, in fact, in some respects is worse than the earlier version, since it makes even more clear that all of the provisions of Section 22 are to prevail.

2. Consequently, the position taken by Canadian Ministers during their discussions with the U.S. Secretaries remains unchanged. It will therefore be necessary for the Canadian Delegation to vote against the U.S. request for what in effect would be a blanket waiver.

3. You might add that our Delegation will, of course, be participating in the further discussions on this matter in Geneva.

114.

DEA/9100-AO-40

*Le secrétaire d'État aux Affaires extérieures
à la délégation à la Conférence sur le GATT*

*Secretary of State for External Affairs
to Delegation to GATT Conference*

TELEGRAM 54

Ottawa, January 28, 1955

CONFIDENTIAL. IMMEDIATE.

Reference: Your Telegram No. 29 of January 28.†

Repeat Washington EX-163; London No. 156; OEEC Paris No. 117.

GATT — U.S. WAIVER

In your statement in plenary you should indicate our intention to vote against the U.S. waiver proposal and you should explain why we are unable to accept it. You should also recount the attempts which we have made over the past several months to persuade the U.S. to modify their views. We think that some reference to the constructive suggestions which we had made in the past would be desirable for the record and also in order to make clear to the other contracting parties the efforts which we had made to find a solution within the principles of GATT. For the purpose of any such statement, you might be guided by the exchanges (relating to "fair shares", normal trade, etc) which took place between U.S. and Canadian officials last July and September in preparation for the GATT meeting, by the statement which Plumptre made to representatives of other interested delegations just before Christmas (including "forgiveness for past sins", time limits, etc.), by the memorandum which our Ministers left in Washington this month, and by the background memorandum which they had with them on that occasion (copies of which were sent to you on January 17). You might express regrets that these earlier discussions are not reflected in any way in this latest U.S. proposal which does not envisage any effective limitations on the freedom of the U.S. Administration to do whatever it considers appropriate under Section 22 of the A.A.A.

2. With respect to your enquiry concerning participation in the working party, you should take part fully and actively. In doing so, however, you should make it quite clear that our

participation does not imply any change in our attitude toward the U.S. proposal and that in the end we shall be bound to vote against the kind of waiver which has been suggested. Your main object in taking part should be to point out in detail the defects in the U.S. proposal. You may, at your discretion initiate and support during the "second reading" stage, modifications which would make the waiver less offensive. Such activity would not be open to misunderstanding since it would be against the background of our clearly stated and continuing opposition to the waiver as a whole. You should, naturally, be very careful not to be manoeuvred into any position where you would seem to be going along with the waiver. You should make certain that when the "third reading" stage is reached, we are completely free to re-state our opposition to the waiver.

3. Although in any statement which you may be making you would probably not want to make comparisons between the present U.S. proposal and the earlier one which was never tabled formally, we are sending you a following telegram† indicating some of the respects in which we consider this edition to be even worse than the original version.

115.

DEA/9100-AO-40

*La délégation à la Conférence sur le GATT
au secrétaire d'État aux Affaires extérieures*

*Delegation to GATT Conference
to Secretary of State for External Affairs*

TELEGRAM 38

Geneva, February 4, 1955

CONFIDENTIAL

Reference: Our telegram No. 37 of February 3.†
Repeat Washington No. 19; London No. 23.

GATT — UNITED STATES WAIVER

Yesterday's (February 2) debate in the contracting parties on the United States request for a waiver to cover restrictions under Section 22 was opened by the United States representative (Brown). He spoke briefly and quietly about the desire of the United States administration to place the work of the new GATT organization on the firmest possible basis. Hence their intention to lay before Congress immediately after the present session of the contracting parties the results of the current review. Any legislature naturally took very seriously the question of participating in a new international organization. Congress had already addressed itself on a number of occasions to possible conflicts between GATT rules and freedom to apply Section 22. Indeed in recent Committee hearings Secretary Benson had already been questioned closely on the relation between Section 22 and the extension of the Reciprocal Trade Agreements Act. After explaining that there was no conflict between that Act and Section 22, Secretary Benson had gone on to state that the basic policies of the administration in regard to agriculture were such as to render less likely future conflicts between Section 22 and international obligations.

2. Following this introduction sixteen countries took part in the debate which lasted over a period of two and one half hours. It was, as might have been expected, a sad debate and most of the speakers expressed deep regret that a major country should find itself impelled to seek a waiver from fundamental obligations of the agreement. It was pointed out time

and again that such a waiver would be deeply disturbing to the balance of the agreement and to the obligations of other contracting parties under it.

3. Nevertheless, almost all speakers indicated either explicitly or implicitly that since the United States, after the most serious consideration, had concluded that they needed a waiver such a waiver would have to be granted. Canada and Brazil made the only statements that were clearly in the opposite sense, although the positions of New Zealand and possibly South Africa as emerging from their statements might be open to question. (The South Africans have told us that they are likely, in the last analysis, to follow whatever lead we may give them but we doubt whether the New Zealanders would stand out from the majority).

4. The countries most affected by the United States import restrictions indicated, in very general terms, some of the limitations that they would like to see in a waiver. (As explained in our telegram under reference, which conveyed the text of our statement, the actual terms of the waiver which the United States is putting forward had not been presented to the conference and was not in the hands of most delegations). We referred to restricting the waiver to existing conflicts, to the need for periodic reviews and gradual relaxation and to the importance of "fair share". New Zealand emphasizing the extent to which their dairy products had already been hurt strongly urged that the waiver should contain undertakings for future improvements. The same point was stressed by Australia. Italy hoped that the waiver would be for a limited period and subject to frequent reviews and that it would provide for complaints to be presented to the contracting parties. Denmark and The Netherlands, while making no specific points of their own, associated themselves with the points raised by previous speakers.

5. The United Kingdom, speaking early in the debate, led the parade of those who insisted that whatever freedom was allowed to the United States would have to be available to themselves. (The text of the United Kingdom statement is contained in our immediately following telegram†). Indeed, while the United Kingdom made this claim explicitly, most of the others did so by implication only: they expressed preference more or less strongly for putting the United States request for a waiver into the review working party concerned with European "hard core" problems rather than into a special working party of the 9th Session which would nominally at least deal with the United States request in isolation. Germany, France, Italy, Greece, Sweden and Austria all associated themselves with this point of view and made it all too clear that the United States request for a waiver would have a very softening effect on whatever dispensation may be provided for the hard core.

6. Four countries, Australia, New Zealand, South Africa and Uruguay, all emphasized that the United States request could not be dissociated from United States policies and undertakings under GATT in other agricultural fields, specifically subsidies and disposal of surpluses.

7. Two countries, Turkey and Greece, indicated a lively appreciation of past benefits received from the United States and a hope for further benefit to come.

8. The Brazilian representative (not Machado) made the shortest speech. He said, in a sentence, that he was opposed to any waiver in any form whatever. (It is not clear whether this was an outburst of anti-Americanism or just an attempt to establish a strong initial bargaining position).

9. The French representative said that he was not concerned in the question of a legal conflict between Section 22 and the GATT. In the United States it appeared that domestic legislation overrode an international obligation; in France and in most European countries

the opposite was the case. However, he was very sympathetic towards any country that found itself in a position where international obligations apparently interfered with the execution of domestic policies designed to maintain prices, raise standards of living and promote social benefits. France had such social policies and it was undesirable that international obligations should interfere with them. It was in this spirit that the French delegation would review the United States request. The Greek representative expressed broadly similar views.

10. In summary, it may be said that while there was a good deal of barking and howling and a regrettable although understandable disposition to sniff to titbits there was very little disposition to bite back.

11. At the end of the debate the chairman appointed a special working party of the 9th Session to examine the United States request and to report back with recommendations to the contracting parties. He named the following countries to the working party: Austria, Canada, Cuba, Denmark, France, Germany, South Africa, India, Italy, The Netherlands, New Zealand, Pakistan, Turkey, United Kingdom, United States and Uruguay. He named Mr. Suetens of Belgium as Chairman.

12. The United States proposed waiver in the form you received it from Washington has today (February 3) been circulated as a conference document.

116.

DEA/9100-AO-40

*La délégation à la Conférence sur le GATT
au secrétaire d'État aux Affaires extérieures*

*Delegation to GATT Conference
to Secretary of State for External Affairs*

TELEGRAM 62

Geneva, February 26, 1955

CONFIDENTIAL. IMMEDIATE.

GATT: UNITED STATES WAIVER

In accordance with our anticipation latest draft of United States waiver approved by drafting sub-group and which will be debated in Working Party at beginning of next week does not impose any restraint or limitation upon the United States Government in the administration of Section 22. All attempts to impose such restraint and limitations were rejected by United States delegation.

2. However, in response to Canadian and Australian pressure the concept of normal imports is introduced in an indirect way and the waiver will be subject to an annual review.

3. Following is the draft text of the paragraph including the reference to normal imports:

"3. The United States will give due weight to any representations submitted to it including

(a) When investigating whether any existing import restriction should be modified, terminated or extended representations that a greater volume of imports than is permitted under the import restriction would not have the effects required to be corrected by Section 22, including representations that the volume of imports that would have taken place in the absence of governmental agricultural programmes would not have such effects.

(b) When investigating with respect to import restrictions on additional products representations with regard to

(i) The effect of imports of any such product upon any programme or operation undertaken by the United States Department of Agriculture or any agency under its direction or upon the domestic production of any agricultural commodity or product thereof for which such a programme or operation is undertaken, including representations that the volume of imports which would have entered in the absence of governmental agricultural programmes will not have the effects required to be corrected by Section 22.

(ii) The representative period to be used for the determination of any quota.”

4. The provision for annual review is in the following terms:

“7. The contracting parties will make an annual review of the actions taken by the United States under Section 22. For each such review the United States will furnish a report to the contracting parties showing any modification or removal of restrictions effected since the previous (group corrupt) controls in effect and the reasons why such restrictions (regardless of whether covered by this waiver) continue to be applied under Section 22 and any steps it has taken with a view to a solution of the problem of surpluses of agricultural commodities.”

5. Unless instructed to the contrary we will continue to oppose and to vote against the United States waiver when it is debated in plenary on the grounds that waiver in effect writes into the GATT the provisions of Section 22 — “unqualified and virtually unsupervised”.

117.

DEA/9100-AO-40

*Le secrétaire d'État aux Affaires extérieures
à la délégation à la Conférence sur le GATT*

*Secretary of State for External Affairs
to Delegation to GATT Conference*

TELEGRAM 106

Ottawa, February 28, 1955

CONFIDENTIAL. IMPORTANT.

Reference: Your No. 62 of February 26.

Repeat Washington EX-386; London No. 35[?].

GATT: UNITED STATES WAIVER

This will confirm your conclusion in your final paragraph that you should oppose and vote against the United States Waiver.

We assume that it is still probable that the Waiver will be passed by the Contracting Parties. If so, you should make a brief statement after the vote. Such a statement should begin by recapitulating the serious implications of the Waiver in relation to Canada-U.S. trade (along the lines of the first paragraph of your statement in the Contracting Parties of February 2).

After that you should speak along the following lines:

The Canadian Delegation accordingly wishes to re-emphasize the extremely difficult position created for the Canadian Government by the passage of the U.S. Waiver. The United States has now been relieved of its formal obligations under the GATT in the Agricultural field. The Canadian Government is watching the course of events very closely and the Canadian Government feels sure that any action which they may feel compelled to take

as a result of this Waiver will be recognized in a sympathetic and understanding manner by the Contracting parties who have now assumed the responsibility for granting this sweeping dispensation to the United States.

L.B. PEARSON

118.

DEA/9100-AO-40

*Note du sous-secrétaire d'État aux Affaires extérieures
pour le secrétaire d'État aux Affaires extérieures*

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

CONFIDENTIAL

[Ottawa], March 8, 1955

GATT: UNITED STATES WAIVER

You may already have read telegram No. 89 of March 5 from our GATT delegation, which contains the text of the statement which the delegation made following approval of the United States waiver by the Contracting Parties.¹⁵⁸ I think, however, that I might appropriately bring the telegram to your attention because I know you are interested in the terms in which we explain our position following the passage of the waiver.

You will note that the delegation has followed their instructions in emphasizing the importance to Canada of the trade which may be affected by the waiver, and by drawing attention, in a tactful manner, to the possibility that Canada may feel compelled to take action as a consequence of action taken under the waiver. The intervening parts of the statement have been composed by the delegation and, I think, add to its force. Geneva has been requested to repeat the missing groups on page 2.

You will note that the United Kingdom is not listed among the countries which opposed or abstained on the waiver and therefore, presumably, supported it. I think Mr. Howe may find this a little disturbing. However (particularly in view of the Prime Minister's remarks at the London meeting)¹⁵⁹ the United Kingdom authorities may very well have assumed that we neither expected nor wished them to vote against the waiver. Moreover, when the waiver was under discussion the United Kingdom did its utmost to discourage the United States from persisting in its demand for a "blanket" type of waiver.

J. L[ÉGER]

¹⁵⁸ Pour le texte final de la dérogation, voir l'Accord Général sur les Tarifs Douaniers et le Commerce, *Instruments de base et Documents divers*, Supplément N° 3, Genève : Les Parties Contractantes à l'Accord Général sur les Tarifs Douaniers et le Commerce, 1955, pp. 33 à 38.

For the final text of the Waiver, see General Agreement on Tariffs and Trade, *Basic Instruments and Selected Documents*, Third Supplement, Geneva: Contracting Parties to the GATT, 1955, pp. 32-36.

¹⁵⁹ Voir/See Document 246.

[PIÈCE JOINTE/ENCLOSURE]

*La délégation à la Conférence sur le GATT
au secrétaire d'État aux Affaires extérieures*

*Delegation to GATT Conference
to Secretary of State for External Affairs*

TELEGRAM 89

Geneva, March 5, 1955

CONFIDENTIAL. IMPORTANT.

Repeat London No. 39; Washington No. 26.

GATT: UNITED STATES WAIVER

The contracting parties approved today the United States waiver by a vote of 23 in favour, 5 opposed and 6 abstentions. Cuba, New Zealand, Denmark, Netherlands and Canada opposed the waiver. Brazil, Burma, Ceylon, Haiti, South Africa and Czechoslovakia abstained.

2. Prior to the vote we made a statement explaining our opposition in terms familiar to you. Following the vote we made the following statement in accordance with your instructions:

“The Canadian delegation considers it necessary to make the following observations concerning the important decision that has just been taken by the Contracting Parties to grant the United States a waiver from its GATT obligations relating to quantitative restrictions and fees imposed on the importation of agricultural products.

“We have on several occasions explained to the Contracting Parties the importance to Canada of exports of agricultural products to the United States. Canada is not of course the only country affected by the decision which has just been taken. Many countries here represented are dependent on the United States market for a significant part of their agricultural export. We think it is true to say however that no contracting party is more affected by this decision than Canada. Two-thirds of our total foreign trade is with the United States; an important part of that trade is in the field of agriculture. Tariff negotiations between Canada and the United States have been the most extensive of all the negotiations held under the general agreement. Among the most important concessions we have paid for are concessions by the United States on agricultural products covering a large part of our total agricultural exports. It is these exports and these concessions that are threatened by the waiver which the contracting parties have now decided to grant. Action which the United States can take under this waiver to restrict our exports could serve to unbalance our tariff bargain with that country. Contracting Parties will appreciate therefore how seriously the Canadian Government must regard the waiver just granted to the United States and how closely they will observe the future behaviour of the United States pursuant to it.

“Although the United States waiver does not contain a terminal date this does not mean and could not possibly mean that the States is relieved for an indefinite period from its obligations under Article II or Article XI. On the contrary the contracting parties have it clearly within their power at any time to modify the terms of the waiver or indeed to withdraw it entirely. Furthermore, all waivers including the present waiver are in effect granted conditionally; they are granted subject to good behaviour having in mind the terms of the agreement and the interests of all the contracting parties. Indeed that is one of the main purposes of the provision for an annual review contained in the United States waiver.

“We wish to emphasize this point because it is our intention should restrictions be threatened under this waiver against Canadian agricultural exports to press just as strongly as we have in the past for adherence to the provisions of Articles II and XI. In particular we shall continue to press for adherence by the United States to the principle of ‘fair shares’.

“The Contracting Parties will have noted that ‘the United States undertakes to give due consideration to representations ... etc.’ (paragraph 3 of waiver). We would have preferred the language to be stronger to lay a formal obligation on the United States not to interfere with ‘normal imports’.

If such an obligation had been accepted by the United States our attitude to their request might well have been different.

“We wish to make one point clear however. Even though the waiver does not impose a firm obligation on the United States in respect to normal trade we would regard it as unreasonable and unwarranted if the United States were to use this waiver to exclude normal imports, that is imports which would have entered normally and in the absence of any United States price support or other domestic agricultural programmes. Should such a situation develop the contracting parties would in our view be entirely justified in withdrawing the waiver and we would so recommend.

“Finally Mr. Chairman my delegation would emphasize again the extremely difficult position created for the Canadian Government by the decision to grant this waiver to the United States. This important country has now been relieved of its formal obligations under the GATT in the agricultural field.

The Canadian Government will be watching the course of events very closely. The Canadian Government feels sure that any action which it may feel compelled to take as a consequence of action under this waiver will be recognized in a sympathetic and understanding manner by the Contracting Parties which have now assumed the responsibility for granting this sweeping dispensation to the United States.”¹⁶⁰

119.

PCO

*Note du secrétaire d'État aux Affaires extérieures
pour le Cabinet*

*Memorandum from Secretary of State for External Affairs
to Cabinet*

CABINET DOCUMENT NO. 133-55

[Ottawa, June, 14, 1955]

CONFIDENTIAL

THE REVISED GATT

Last autumn, after seven years' experience of the GATT, several of the member countries decided that the time had come to review its provisions to see if improvement could

¹⁶⁰ Pour un compte rendu complet des négociations du GATT, voir Canada, Chambre des Communes, *Débats*, 1955, volume II, le 22 mars 1955, pp. 2370 à 2371 et 2413 à 2416.

For a full report on the GATT negotiations see Canada, House of Commons, *Debates*, 1955, Volume II, March 22, 1955, pp. 2250-2251, 2292-2295.

be made. It was also hoped to bring the GATT more closely into line with present-day trading conditions. Although the Canadian Government was in favour of strengthening the "trade rules", in order to hasten elimination of the remaining restrictions to trade, it was rather doubtful about the timing of the review. The Canadian view was not accepted, and the review was undertaken. The results were somewhat better than had been feared.

2. The General Agreement was revised, a declaration on the continued application of tariff schedules was opened for signature, and an agreement on an Organization for Trade Co-operation, which would give the GATT permanent status as an international organization, was drawn up. The formal instruments which would give effect to these changes are: (1) Protocol Amending Part I and Articles XXIX and XXX of the General Agreement; (2) Protocol Amending the Preamble and Parts II and III of the General Agreement; (3) Declaration on the Continued Application of Schedules to the General Agreement; (4) Agreement on the Organization for Trade Co-operation; and (5) Protocol of Organizational Amendments to the General Agreement. These instruments are contained in Annexes A† and B.†

3. There is also attached to this memorandum, as Annex C,† a paper prepared by the United Kingdom Government which contains the text of the revised agreement. Differences between the present text and the amended text are indicated.

The Revised GATT and the Continued Application of Schedules

4. In connection with the revised GATT and the continued application of schedules, the following paragraphs briefly described the main changes of importance to Canada:

(a) *Tariffs*

The assured life of existing tariff schedules, subject to adjustments now being negotiated in accordance with GATT procedures, would be extended from July 1, 1955, to December 31, 1957, and indefinitely thereafter by means of automatic three-year extensions. Provision is made for renegotiation of concessions either periodically every third year or under special circumstances in the meanwhile; in such renegotiations the aim is to be the maintenance of a general level of reciprocal and mutually advantageous concessions not less favourable than those previously in force.

The instruments giving effect to these changes are the *Declaration on the Continued Application of Schedules to the General Agreement* and the *Protocol Amending the Preamble and Parts II and III of the General Agreement*.

(b) *Quantitative Restrictions*

The provisions of the Agreement with respect to general elimination of quantitative restrictions remain unchanged. So does the basic principle that Contracting Parties which maintain quantitative restrictions for balance-of-payments reasons are to eliminate them as soon as they can no longer be justified on these grounds. It has been hoped that the "trade rules" might be tightened so as to allow much less latitude with respect to the maintenance of quantitative restrictions for balance-of-payments reasons. This did not prove possible but, in order to make the basic principle more effective in practice, and particularly in order to adapt it to a period when the major currencies may become convertible, there would be annual consultations with all Contracting Parties still applying restrictions of this type. The revised Agreement also envisages stricter safeguards against discrimination when such safeguards are brought into effect by the I.M.F.

The instrument giving effect to these changes is the *Protocol Amending the Preamble and Parts II and III of the General Agreements*.

(c) *Export Subsidies and "Countervailing" (Anti-Subsidy) Duties*

Provisions, additional to those already in the Agreement, are proposed to limit the harmful effect of export subsidies. In the field of primary products Contracting Parties would be under an obligation not to use subsidies which increase exports so as to obtain for themselves more than a fair share of world trade. In the field of non-primary products no new or increased export subsidies would be permitted. Also, provisions for the use of anti-dumping and anti-subsidy measures by importing countries were elaborated in the Agreement.

The instrument giving effect to these changes is the *Protocol Amending the Preamble and Parts II and III of the Agreement*.

(c) *Governmental Assistance to Economic Development*

The need to facilitate the development of the economies of countries which can support only low standards of living and which are in the early stages of development is recognized in the existing Agreement. The revised Agreement would allow Contracting Parties in the early stages of development to adjust bound tariffs to protect particular industries, and to apply quantitative restrictions on imports in order to protect their balance of payments against the demand for imports generated by their development programmes. Any such quantitative restrictions are to be applied in a non-discriminatory manner.

A country whose economy is "in the process of development" but which could not be described as "supporting only a low standard of living" could also enjoy these privileges if the need could be established.

Because the underdeveloped countries felt a pressing need to have immediate access to the new provisions relating to economic development, the Contracting Parties decided that these provisions could go into force, for the underdeveloped countries, pending entry into force of the relevant Protocol of Amendment.

The instrument giving full effect to these provisions is the *Protocol Amending the Preamble and Parts II and III of the Agreement*.

(Details of the changes described in paragraph 4 will be found in the Annexes, which contain the relevant Articles and supplementary provisions of the revised Agreement, as follows: (a) *Tariffs*: Annex B and Annex C, pp. 35-36 and 53-55 (Article XXVIII); (b) *Quantitative Restrictions*: Annex C, pp. 12-19 and 47-49 (Articles XI-XV); (c) *Export Subsidies and "Countervailing" Duties*: Annex C, pp. 7-8, 19-20, 46, and 49-50 (Articles VI and XVI); (d) *Governmental Assistance to Economic Development*: Annex C, pp. 22-26 and 50-53 (Article XVIII).

5. The revised GATT is not substantially different from the present Agreement. It has been strengthened in minor respects but the main changes are in the direction of a greater emphasis on consultation. The weaknesses which became evident during the Ninth Session resulted mainly from a tendency on the part of some countries to seek special exemptions from the provisions of the Agreement — in particular, from the insistence of the United States on securing a "blanket" waiver from its GATT obligations insofar as these conflict with the requirements of Section 22 of the Agricultural Adjustment Act; and, to a lesser extent, from the insistence by some European countries on a procedure for securing individual waivers to assist them in resolving the problems involved in eliminating the so-called "hard-core" of their import restrictions. On balance it might be said that, while the GATT has not been significantly strengthened, the changes which have been made in its actual provisions (excluding the waivers which are not, of course, provisions of the GATT itself) are acceptable; the test will lie in how the Contracting Parties administer the Agreement in the period ahead.

6. There is nothing in the revisions now being recommended for acceptance which would require subsequent implementation by legislative action. It is for consideration, however, whether Parliament should be provided with any special opportunity to discuss them. No formal action was taken by Parliament when Canada adhered to the GATT in its present form.

7. When the GATT was drawn up it was applied provisionally, the expectation being that an International Trade Organization would be set up. This did not happen and the GATT is still applied provisionally. At the Ninth Session the Contracting Parties recognized that it would be desirable for them to accept the Agreement definitively at the earliest possible date subject to the progressive modification of any mandatory legislation which may be in conflict with it. It is expected that a separate recommendation will be made to Cabinet on the depositing of an instrument of acceptance, when the situation with respect to the amendments now being proposed has become clear.

The Proposed Organization for Trade Co-operation and the Relevant Amendments to the GATT

8. It would appear desirable to replace the present informal operational structure of the GATT with a permanent organization. To this end, an Agreement on the Organization for Trade Co-operation has been drawn up. Though comparable to the International Trade Organization proposed several years ago, this new Organization would be less elaborate. There would be an Assembly, an Executive Committee and a secretariat headed by a Director General; the Assembly, in which all Governments are represented, would be supreme. The main function of the Organization would be to administer the General Agreement; in addition, it would sponsor international trade negotiations and serve as an intergovernmental forum for the discussion and solution of other questions relating to international trade. The Agreement would enter into force, among the governments which had accepted it, after it had been accepted by governments whose territories account for 85% of the trade of the GATT countries.

9. Since the United States and the United Kingdom each accounts for about 20% of the trade of the GATT countries, the Agreement on the OTC could not come into force until it had been accepted by both these countries. A Bill to provide for United States membership in the OTC has been introduced in Congress but it is not possible to predict with certainty that it will be passed. The United Kingdom Government will probably wait until the United States attitude is clear. It would seem desirable for the Canadian Government also to defer action on the proposed OTC and on the Protocol of Organizational Amendments to the General Agreement, which would amend the GATT to take account of the functions of the OTC when it comes into existence.

Recommendations:

It is recommended:

(a) that authority be sought from the Governor-in-Council for Mr. L.D. Wilgress, Chairman of the Canadian Delegation to the Ninth Session of the Contracting Parties, or in his absence, Mr. H. Allard, Permanent Representative of Canada to the European Office of the United Nations in Geneva, to sign and accept the following instruments on behalf of the Canadian Government:

The Protocol Amending Part I and Articles XXIX and XXX of the General Agreement on Tariffs and Trade;

The Protocol Amending the Preamble and Parts II and III of the General Agreement on Tariffs and Trade; and

The Declaration on the Continued Application of Schedules to the General Agreement on Tariffs and Trade;

(b) That Cabinet defer action with respect to the organization for Trade Co-operation and the Protocol of Organizational Amendments to the General Agreement on Tariffs and Trade until after the attitude toward the OTC of the major trading nations of the GATT, in particular the United States, without whose adherence the OTC cannot come into force, has become clear.¹⁶¹

L.B. PEARSON

With the Concurrence of:

C.D. Howe

Minister of Trade and Commerce

Walter Harris

Minister of Finance

SECTION B

DIXIÈME SESSION DES PARTIES CONTRACTANTES 10TH SESSION OF THE CONTRACTING PARTIES

120.

PCO

*Note du secrétaire d'État par intérim aux Affaires extérieures
pour le Cabinet*

*Memorandum from Acting Secretary of State for External Affairs
to Cabinet*

CABINET DOCUMENT NO. 218-55

[Ottawa], October 24, 1955

CONFIDENTIAL

TENTH SESSION OF GATT

The Tenth Session of the Contracting Parties to the General Agreement on Tariffs and Trade begins in Geneva on October 27. This will be one of the regular business sessions which take place periodically to administer the Agreement, to consider complaints and to seek solutions of particular points of difficulty.

I recommend that a Canadian delegation should attend this session to participate in the discussion of agenda items, to represent Canadian interests, and to seek as in the past to strengthen the GATT arrangements as much as possible.

¹⁶¹ Ces recommandations ont été approuvées par le Cabinet le 15 juin 1955. Pour le texte des protocoles, de la déclaration et de l'accord concernant l'Organisation de coopération commerciale, voir l'Accord Général sur les Tarifs Douaniers et le Commerce, *Acte Final adopté à la Neuvième Session des Parties Contractantes*, Genève : Les Parties Contractantes à l'Accord Général sur les Tarifs Douaniers et le Commerce, 1955. Le Canada a signé les protocoles et la déclaration le 23 juin 1955.

These recommendations were approved by Cabinet on June 15, 1955. For the text of the protocols, declaration, and agreement on the Organization for Trade Cooperation, see General Agreement on Tariffs and Trade, *Final Act adopted at the Ninth Session of the Contracting Parties*, Geneva: Contracting Parties to the GATT, 1955. Canada signed the protocols and declaration on June 23, 1955.

In the lengthy agenda there are several items of some importance from a Canadian point of view:

(a) *Belgian and Luxembourg Applications for Waivers*

With respect to a considerable number of agricultural and fishery products the Belgian Government has requested a waiver from its obligation not to maintain quantitative import restrictions. It has asked that a waiver be granted for seven years.

It will be recalled that at the Ninth Session the Contracting Parties took a decision that five-year waivers, to which strict conditions would attach could be granted in certain circumstances to countries removing the import restrictions they had maintained for balance of payments reasons. The purpose of such waivers would be to make more gradual the impact on sensitive domestic industries of the elimination of the so-called "hard core" of import restrictions.

While the Canadian interest in the commodities involved is not substantial, a special waiver for Belgium (outside the terms of the "hard-core" decision) would set an unfortunate precedent of which other countries might take advantage later.

I suggest that the Canadian delegation should therefore resist any proposal to grant such a special waiver. If, however, most of the contracting parties seem prepared to consider a special waiver instead of a waiver under the "hard-core" decision, the Canadian delegation should do its best to keep the terms of such a waiver as close as possible to the requirements and criteria of the "hard-core" decision.

Luxembourg has also requested a waiver, in this case a permanent one. This request raises similar difficulties, and the Canadian delegation should be guided by the foregoing considerations when it is examined.

(b) *Disposal of Agricultural Surpluses*

On the initiative of Australia a discussion of the disposal of agricultural surpluses has been included in the agenda. The Canadian delegation should participate in this discussion in a manner consistent with the statements made by Canadian Ministers in the recent meeting of the U.S.-Canada Joint Committee on Trade and Economic Affairs, having also in mind the bilateral discussions in Washington on the surplus disposal of grains.¹⁶²

(c) *Proposed Agreement on International Commodity Arrangements*

At the GATT Review Session early this year a Working Party was established to draft an agreement on the basic principles that should apply in the negotiation of any international commodity agreements; for example, the principle of equal representation for producers and consumers. Support of this proposed agreement on basic principles would not, of course, commit countries to participate in any particular commodity arrangement.

The United States decided not to take part in these discussions, since they thought this would increase their presentational difficulties in submitting the GATT organizational proposals to Congress. Although we had doubts about the practical value of these discussions, most GATT members were very anxious to have them and the Canadian representatives were authorized to participate in the Working Party.

As the draft agreement now stands, there are certain features which may ultimately make it unacceptable to Canada unless modified. Further debate on the draft agreement is expected, but it seems unlikely that any firm decision on Canadian acceptance will be called for at this session.

¹⁶² Voir/See Documents 369, 370.

I recommend that, as on past occasions, the Chairman of the Canadian delegation should be Mr. L.D. Wilgress (who will no doubt be re-elected Chairman of the Contracting Parties); that Dr. C.M. Isbister of the Department of Trade and Commerce should be Vice Chairman of the delegation; and that the following officials from Ottawa should be included in the delegation:

Mr. A.B. Hockin	Department of Finance
Mr. C.A. Annis	Department of Finance
Mr. R.E. Latimer	Department of Trade & Commerce;

and that Mr. G.N. Vogel, Department of Trade and Commerce and Mr. C.F. Wilson, Commercial Counsellor at Copenhagen, both of whom will be in Geneva for the U.N. Wheat Conference, should assist the delegation as may be necessary.

I also recommend that the delegation be instructed:

(a) to participate in the discussion of agenda items, to represent Canadian interests and to seek as in the past to strengthen the GATT arrangements as much as possible;

(b) to resist any proposal to grant a special waiver to Belgium or Luxembourg, but if the concession of such a waiver cannot be prevented to do its best to keep its terms as close as possible to the requirements and criteria of the "hard-core" decision;

(c) to participate in the discussion on the disposal of agricultural surpluses in a manner consistent with the statements made by Canadian Ministers in the recent meeting of the U.S.-Canada Joint Committee on Trade and Economic Affairs, having also in mind the bilateral discussions in Washington on the surplus disposal of grains;

(d) to participate constructively in the further discussion of the draft agreement on commodity arrangements, but to reserve any decision about Canadian participation in an agreement.¹⁶³

ROCH PINARD

Concurred in:

C.D. Howe

Minister of Trade and Commerce.

W.E. Harris

Minister of Finance.

¹⁶³ Approuvé par le Cabinet le 26 octobre 1955. Pour un bref compte rendu de la 10^e session, voir Canada, Department of Trade and Commerce, *Annual Report*, 1955, Ottawa: Queen's Printer, 1956, p. 46. Approved by Cabinet on October 26, 1955. For a brief report on the 10th Session, see Canada, Department of Trade and Commerce, *Annual Report*, 1955, Ottawa: Queen's Printer, 1956, p. 46.

SECTION C

QUATRIÈME RONDE DES NÉGOCIATIONS MULTILATÉRALES
SUR LES TARIFS DOUANIERS
FOURTH ROUND OF MULTILATERAL TARIFF NEGOTIATIONS

121.

PCO

*Note du secrétaire d'État aux Affaires extérieures
pour le Cabinet**Memorandum from Secretary of State for External Affairs
to Cabinet*

CABINET DOCUMENT NO. 156-55

[Ottawa], July 19, 1955

CONFIDENTIAL

UNITED STATES PROPOSALS FOR FURTHER TARIFF NEGOTIATIONS
UNDER GATT

1. United States officials have informed us that the Administration intends to make use of the powers contained in the Trade Agreements Extension Act of 1955 to enter into tariff negotiations with other countries. This information is not to be disclosed to the public for the present.

2. As far as the United States is concerned, the possible scope of the tariff negotiations is limited by the terms of the new Act. The President may authorize negotiations to reduce individual tariff items in three annual instalments by a maximum of 15% of the present levels. In addition, the President is empowered to negotiate reductions down to 50% *ad valorem*, of rates which are in excess of that level. These not very extensive powers will be curtailed, perhaps substantially, by the "peril point" procedures, which are designed to limit and restrict, in favour of tariff-sensitive domestic industries, the extent to which the President makes use of his statutory powers to negotiate tariffs.

3. To take advantage of the first 5% instalment of the President's 15% powers, negotiations must be concluded by June, 1956, a year after the effective date of the new Act. The American proposals therefore include a time-table. Preferably by July 15, and at the very latest by August 1, other countries planning to participate in the negotiations are requested to inform the United States. By August 15, the United States Government wishes to receive itemized requests for tariff concessions. At the beginning of September, the President will formally announce that the United States will carry on tariff negotiations with other countries. By October 1, public hearings will be commenced and the Tariff Commission will initiate its studies for the determination of peril points. These hearings and studies are required by statute and the results will determine, product by product, the extent to which the President's negotiating powers will be used. The target date for the commencement of the actual tariff negotiations is January 15, 1956.

4. Tariff concessions resulting from negotiations with the United States are of more questionable value than formerly, because of the enlarged escape procedures for the subsequent withdrawal of concessions. It will be remembered that the necessary majority of Contracting Parties to the GATT granted a "waiver", at their Ninth Session, which will facilitate withdrawals by the Americans from their commitments with respect to agricultural tariff items and agricultural import restrictions. In addition, in the Trade Agreements

Extension Act of 1955, there has been included a new and still untested escape procedure to be used in considering tariff increases where imports "threaten to impair the national security".¹⁶⁴ This same Act provides for certain extensions to existing tariff escape clauses. The Contracting Parties have as yet had no opportunity to determine whether the new national security escape clause is consistent with the GATT and, quite obviously, a great deal will depend upon the way it is administered. Aside from this legal point, there will clearly be more scope under the new Trade Agreements Act than under the old for United States industries to appeal for increased tariff protection and the Administration will have weaker grounds for opposing such increases.

5. From what has been said, it appears that there may be public criticism of Canadian participation in further tariff negotiations with the United States in present circumstances. The negotiations are bound to be difficult and they may lead to meagre results. United States officials have indicated that they will bargain to be paid in full for any tariff concessions the United States may make.

6. There is a further element of difficulty for us in the particular form of negotiations planned by the United States. Their law provides for tariff reductions of 5% in each of the three coming years, but the Administration apparently anticipates that one round of negotiations, in 1956, will provide the basis for all three reductions. In short, in June 1956 the United States will be announcing, for a list of products, a series of reductions which will become effective, in part immediately, but in part in one and two years' time. Other countries participating in the negotiations will probably find it expedient to do the same; indeed there does not seem to be any satisfactory alternative. This implies that certain Canadian tariff reductions would be announced one or two years before they came into effect. Such a departure from traditional Canadian practice is, of course, undesirable. On the other hand, considering the limitations on what the United States can offer — limitations which will circumscribe the whole of the multilateral negotiations — it can be anticipated that the reciprocal tariff reductions on our side would not be very many or very extensive. Further, all Canadian importers affected would be in the same position; the situation must be distinguished from one in which there is a "budget leak" and certain importers can get an advantage over others.

7. It may well be asked whether it is worth while for Canada to participate in the negotiations. In this connection, however, it should be observed that Canada can hardly refuse to cooperate with a move, however slight, towards lower tariffs by a Republican President, in the face of stubborn opposition from protectionist elements in the United States Congress. Though the new United States legislation may be limited and even disappointing in certain respects, it sets forth a policy which appears much more attractive if it is remembered that the alternative would possibly be large and widespread tariff increases.

8. Various matters of trade and commercial policy are still pending before Congress such as the customs simplification bill, the bill for participation in the Organization for Trade Cooperation, and the hardboard bill.¹⁶⁵ It is perhaps unfortunate that the Canadian Government must make a decision in the immediate future as to whether or not to participate in the tariff negotiations which will not actually commence until another six months have passed. If it is now decided that Canada should participate, it would nevertheless seem desirable to advise the United States Government that this decision might have to be reversed if adverse developments were to take place in United States legislation in the

¹⁶⁴ Voir/See Document 389.

¹⁶⁵ Voir/See Document 393.

meantime or if our interests were adversely affected by the use of escape clauses. A draft note to the United States Government is attached.

9. Recommendations:

(a) That the Canadian Government should inform the Contracting Parties to the General Agreement on Tariffs and Trade of its present intention to participate in the proposed tariff negotiations early in 1956;

(b) that the attached Note be transmitted to the United States Government.¹⁶⁶

L.B. PEARSON

Concurred

C.D. Howe

Minister of Trade and Commerce

Walter Harris

Minister of Finance

[PIÈCE JOINTE/ENCLOSURE]

Projet de note pour le Gouvernement des États-Unis

Draft Note to United States Government

CONFIDENTIAL

1. The Canadian Government has been officially and confidentially informed of the decision on the part of the United States Government to carry on tariff negotiations with other countries under the provisions of the Trade Agreements Extension Act of 1955. The Canadian Government has been asked to indicate by July 15 if possible, and by August 1 at the latest, whether it plans to participate in these negotiations. The Canadian Government appreciates that the urgency of this request is necessitated by statutory requirements in the United States, even though the negotiations will not commence until early in 1956.

2. The Canadian Government welcomes this initiative on the part of the United States Government to reduce tariffs, and thus promote the restoration and expansion of multilateral world trade. Even though the tariff negotiations will be somewhat limited in their scope, they may constitute a worthwhile step forward in the general reduction of barriers to international trade, a task which is of crucial importance to friendly and co-operative working relations among countries of the free world.

3. The Canadian Government has decided, in principle, to participate in the tariff negotiations which are planned to commence early in 1956. At the same time the Canadian Government must reserve the right to reconsider the decision if circumstances alter materially during the six months which will elapse before actual negotiations are commenced. In making this reservation, the Canadian Government has particularly in mind the uncertainty that prevails regarding possible restrictive legislation by the U.S. Congress and regarding the use that may be made of the new and revised escape procedures incorporated in recent legislation and of the waiver granted to the United States by the Contracting Parties to the GATT with regard to agricultural products. The Canadian Government naturally hopes that there will be no developments in the United States which would impair commitments made to Canada in trade agreements, and that the United States in administering its laws will

¹⁶⁶ Approuvé par le Cabinet le 22 juillet 1955. Les négociations tarifaires seront examinées dans le volume 22.

Approved by Cabinet on July 22, 1955. The tariff negotiations will be covered in Volume 22.

continue to have regard to the common interest of all friendly countries in multilateral trade.

SECTION D

PARTICIPATION DU JAPON

PARTICIPATION OF JAPAN

122.

PCO

*Note du secrétaire d'État aux Affaires extérieures
pour le Cabinet*

*Memorandum from Secretary of State for External Affairs
to Cabinet*

CABINET DOCUMENT NO. 32-55

[Ottawa], February 15, 1955

CONFIDENTIAL

PROPOSED TARIFF NEGOTIATIONS RELATING TO JAPAN

At the present time Japan participates on a provisional basis in the sessions of the Contracting Parties of the GATT, and commercial relations between Japan and certain Contracting Parties (including Canada) and governed temporarily by the provisions of that agreement. The press release announcing Canadian acceptance of the Declaration to this effect (pursuant to Order in Council P.C. 1954-517) referred to it as "part of the arrangements which were adopted for Japan to participate in the General Agreement on a provisional basis pending tariff negotiations."¹⁶⁷

The bilateral agreement between Canada and Japan, which, of course, continues in force during this interim period, was worked out in accordance with the GATT and will still apply if Japan accedes fully to the GATT.¹⁶⁸ That bilateral agreement provides for certain specific protection against imports which might cause serious injury to Canadian production, and, by reducing discrimination against Canadian goods, secures certain substantial advantages to Canadian exports.

It has now been agreed in Geneva that the tariff negotiations relating to Japan, which were envisaged when the provisional arrangements with respect to Japan were made, should take place in Geneva on or about February 21 with a view to the full accession of Japan to the General Agreement. The participation countries will be those which have indicated that they would be prepared to enter into tariff negotiations with Japan. Those which have so far indicated their willingness are Burma, Ceylon, Chile, Denmark, the Dominican Republic, the Federal Republic of Germany, Indonesia, Italy, Norway, Peru, Sweden, the United States and Uruguay.

Canadian participation in the proposed tariff negotiations could take two forms. There might be direct bilateral negotiations with Japan, which would be very limited in scope, and there might be triangular negotiations with Japan and the United States under which, in order that Canada might give additional concessions to Japan, the United States would give concessions to Canada. The United States Government has authority to enter into such

¹⁶⁷ Voir/See Volume 20, Document 818.

¹⁶⁸ Voir/See Volume 20, Document 809.

negotiations under the Reciprocal Trade Agreements Act which was renewed last June for one year. Despite any uncertainty concerning particular aspects of future United States commercial policies, there would seem to be considerable merit in Canada taking a small part in these negotiations which will represent the first tariff negotiations undertaken in some twenty years by a Republican Administration.

The negotiations would be conducted on the basis of the principal supplier rule, and of other principles similar to those which guided the tariff negotiations at Annecy in 1949 and Torquay in 1951, although the proposed negotiations would be more limited. Pursuant to the most-favoured-nation clause of the GATT, all tariff concessions granted by any participating country would be extended to Canada whether or not the concessions were negotiated with Canada. Similarly, Canada would extend to all Contracting Parties any tariff concessions which it might negotiate.

While Canadian negotiations would be modest in scope, several of the items likely to be put forward by both Japan and the United States are items with respect to which Canada has some hope of obtaining concessions which would be of considerable value to particular Canadian industries. On the other hand it does not appear that Canada would have to make any concessions which would be embarrassing.

There are perhaps also economic and political grounds for favouring tariff negotiations with Japan. There has recently been a change of Government in Japan and an election is to be held there fairly soon. By entering into tariff negotiations with Japan in the near future, the Canadian Government might be better able to maintain closer commercial relations with Japan; not to enter into negotiations might increase the difficulty of maintaining such relations under a Japanese Government twice removed from the one which negotiated the bilateral agreement with Canada. At any rate Japan's general attitude toward trade with Canada would probably be influenced in some degree by Canada's willingness to participate in these tariff negotiations. On the political side, it is clear that, as part of her general effort to re-establish herself in the international community, Japan attaches importance to full membership in the GATT. It would seem desirable for Canada to join with other like-minded countries in facilitating the entry of Japan into the GATT.

In addition to the question of new tariff negotiations, it is necessary to consider the related matter of the temporary arrangements for associating Japan with the GATT. Because the Declaration which temporarily brought Japanese trade with certain Contracting Parties under the provisions of the GATT and to which Canada adhered, will expire on June 30 next, a new Declaration has been opened for signature. It would extend the validity of the earlier Declaration until December 31, 1955, unless before that date the Declaration has ceased to have effect by reason of Japan's accession to the GATT.

Recommendations

1. With the concurrence of the Minister of Trade and Commerce and of the Minister of Finance I recommend that Cabinet authorize the Canadian Delegation to the GATT Conference in Geneva, under the chairmanship of Mr. Wilgress, to negotiate on a reciprocal and mutually advantageous basis and in accordance with Section 10 of the Customs Tariff Act:

(a) directly with Japan on items with respect to which one country is the other's principal or major supplier;

(b) in triangular negotiations, — to the extent that the United States may be in a position to offer concessions to countries other than Japan.

It would be understood that the results of the negotiations, when completed, would be subject to confirmation by the Canadian Government.

2. With the concurrence of the Minister of Trade and Commerce and the Minister of Finance I also recommend that an Order in Council be issued authorizing Mr. Wilgress to sign, on behalf of the Government of Canada, the new GATT Declaration which would extend the validity of the earlier Declaration on commercial relations between Japan and certain Contracting Parties until December 31, 1955, unless before that date the Declaration has ceased to have effect by reason of Japan's accession to the GATT.¹⁶⁹

Press Release

If the Cabinet should decide to authorize Canadian participation in the proposed tariff negotiations it might be deemed advisable to issue a public statement. A draft press release† is attached for consideration.

L.B. PEARSON

With the concurrence of:
Minister of Trade and Commerce
C.D. Howe
Minister of Finance
W.E. Harris

123.

PCO

*Note du secrétaire d'État aux Affaires extérieures
pour le Cabinet*

*Memorandum from Secretary of State for External Affairs
to Cabinet*

CABINET DOCUMENT NO. 33-55

[Ottawa], February 15, 1955

CONFIDENTIAL

NEGOTIATIONS ON UNITED STATES TARIFF ON FISH STICKS

In September 1954 the United States Congress enacted legislation which provided increased duties applicable to imported fish sticks; the rates to become effective as soon as conflicting international obligations of the United States relating to this product had been properly modified. The new legislation included provision for a rate of 20% ad valorem on uncooked fish sticks, a substantial increase over the present effective rate of one cent per pound under item 720(b) of Schedule XX of the General Agreement on Tariffs and Trade which was a result of tariff concessions initially negotiated with the Government of Canada at Geneva in 1947.

Steps to modify existing international obligations of the United States and thus prepare for application of the new duties were undertaken when, on October 26th, 1954 at an inter-cessional meeting of the GATT Contracting Parties in Geneva, the United States Delegation requested authority of the Contracting Parties to re-negotiate the bound rate of duty applicable to uncooked fish sticks. The Contracting Parties granted the requested authority. Canada was recognized as the country to which the present rates were bound and no other country claimed a substantial interest.

¹⁶⁹ Approuvé par le Cabinet le 17 février 1955./Approved by Cabinet on February 17, 1955.

It is to be expected that the United States will offer compensation, in the form of tariff reductions, for the increase in the bound rate that they are now proposing.

On January 29th the State Department inquired as to the position with respect to negotiations concerning concessions to be granted in compensation for an increase in the duties on fish sticks. On February 3rd the Canadian Ambassador in Washington notified the State Department that Canada would be prepared to carry on these negotiations in Geneva in late February at the close of the present GATT session. The procedures for negotiating appropriate compensation for an increase in the United States duties on fish sticks have not as yet been agreed upon in detail.

Recommendation

The Secretary of State for External Affairs with the concurrence of the Minister of Trade and Commerce and the Minister of Finance recommends that Cabinet agree that the Canadian Delegation to the GATT Conference in Geneva, under the chairmanship of Mr. L.D. Wilgress, be authorized to negotiate appropriate compensation for increased United States tariffs on imported uncooked fish sticks, and that any agreement on compensation which is negotiated be subject to Cabinet approval.¹⁷⁰

L.B. PEARSON

With the concurrence of:
Minister of Trade and Commerce
C.D. Howe
Minister of Finance
W.E. Harris

124.

DEA/9100-AO-40

*La délégation à la Conférence sur le GATT
au secrétaire d'État aux Affaires extérieures*

*Delegation to GATT Conference
to Secretary of State for External Affairs*

TELEGRAM 111

Geneva, March 24, 1955

CONFIDENTIAL. IMPORTANT.

Reference: Our telegram No. 100, March 15, paragraph 5† and our telegram No. 66 of February 26.†

FISHSTICKS

At an informal discussion today Dan Lyons who is heading the United States "third country" team asked us whether we could help them in appraising what compensation if any they could justifiably recommend in their fishstick negotiation. He said that on the basis of the information available to them they could see no practical trade interest, present or potential for Canada on uncooked fishsticks. He doubted whether sale of the uncooked product was a realistic commercial proposition. He said they had no evidence as to the proposed increases upsetting any concrete plans being made by Canadian industry. He indicated that while they could approach us formally along the above lines they would

¹⁷⁰ Approuvé par le Cabinet le 17 février 1955/Approved by Cabinet on February 17, 1955.

prefer it if we could give them some guidance and factual evidence, enabling them to conclude a satisfactory settlement of this matter. In the conversation he pointed to the fact that herring and some other fish items were included in the United States list.

2. In our comments we confined ourselves to indicating our interest in fishsticks as an item of potential trade and repeated the views outlined in paragraph 2 of our telegram No. 66.

3. We shall appreciate further guidance and briefing as requested in paragraph 3 of our telegram No. 66.

125.

DEA/9100-AO-40

*Le secrétaire d'État aux Affaires extérieures
à la délégation à la Conférence sur le GATT*
*Secretary of State for External Affairs
to Delegation to GATT Conference*

TELEGRAM 150

Ottawa, April 15, 1955

CONFIDENTIAL. IMPORTANT.

Reference: Your telegram No. 111 of March 24.
Repeat CANAC No. 371; Washington EX-687.

FISHSTICKS

Ministerial approval for an appropriate course of action has now been secured.

2. In replying to Lyons of the United States Delegation you should assure him that Canadian fish stick producers did have a very real interest in developing a market in the United States for Canadian uncooked fish sticks. Canadian processors began a substantial expansion of their facilities a little more than a year ago based on the assumption that the Canadian and United States markets would be open to them. Production costs in Canada are very competitive with those in the United States and Canadian producers had no doubts that they could sell over the existing tariffs. In view of this we were informed that certain Canadian firms were actively planning to develop sales in the United States. These plans had to be scrapped when legislation was enacted by Congress to increase the duties on fish sticks. Because of this development, Canadians, who have entered a new field, who are competitive and who had an active export interest, were denied access to a large and growing market in the United States for their product. There is no question in our minds that this involves serious impairment of a tariff concession.

3. We note that Lyons has asked whether we could help him respecting the question of compensation. There is, of course, no question but that we would wish to receive satisfactory compensation. We have therefore given the matter careful consideration and have looked into a number of possible alternatives. We have selected one of these and you should inform Lyons that we believe that it would constitute appropriate compensation.

4. The product is pickled or salted cod, cusk, haddock, hake and pollock, not skinned or boned (except that the vertebral column may be removed). It is classified under para. 719(2). If the fish contains not over 42% moisture content it is at present dutiable at 8/16¢ per pound. If the moisture content is more than 43% the duty is 4/16¢ per pound. The President has authority to reduce these rates to 5/16¢ and 3/16¢ per pound. This item is not

included in the published negotiating list and it would be necessary to initiate peril point investigations before negotiations could be entered into.

5. A concession in these rates would be of considerable benefit to both Canada and the United States, particularly Puerto Rico. In 1954 Canada exported 21.2 million pounds of these types of fish to Puerto Rico and 14.9 million pounds to the Continental United States. We are informed that this produce is the cheapest non-vegetable source of protein available to the low income population of the Island. It is therefore in the interest of the Islanders to have any obstacles removed which hinder its entry.

6. Imports into the Continental United States are further processed, e.g. boned and packaged, before going on sale. This product does not compete with fresh or frozen fish and there is practically no domestic salting industry. There therefore should be no obstacles to reducing the duties.

7. This item has thus been carefully chosen as possible compensation. You shall emphasize the following points. Firstly, it would compensate, in part at least, the fisheries industries in Newfoundland and Nova Scotia, which have lost out through the imposition of increased obstacles in the United States on the importation of fishsticks. The bulk of Canadian exports of pickled or salted fish are from Newfoundland with substantial quantities from Nova Scotia. Secondly, we know of no domestic United States industry which is producing this product. Lastly, it is an important basic foodstuff to consumers in Puerto Rico and any move to facilitate its importation would no doubt be welcome to them.

126.

DEA/9100-P-40

*La délégation à la Conférence sur le GATT
au directeur de la Direction générale des Relations commerciales
internationales du ministère du Commerce*

*Delegation to GATT Conference
to Director, International Trade Relations Branch,
Department of Trade and Commerce*

PERSONAL & CONFIDENTIAL

Geneva, May 5, 1955

Dear Claude [Isbister],

JAPANESE NEGOTIATIONS

Our Japanese agreement is limited and innocuous and has nothing very exciting about it. We could have pressed for more, but in view of the lack of enthusiasm or interest shown by Ottawa about additional products, we felt it safer to stop where we stood and try to use our ammunition elsewhere. I must say we were surprised and quite skeptical when we first learnt of the Japanese position on wheat and barley, but we have had to accept this. Had our instructions been different in this respect, we would have made an issue of this and might have had the Japanese reconsider their stand, but such was not the case. Kondo assured us, both in meetings and privately, that their unwillingness to include these items in the GATT schedule in no way affected their intention to continue purchases of these products from us.

You will recall that flaxseed and hides were two of the four additional items which the Japanese offered us. Your reply referred to our small tariff interest in flaxseed and hides; I assumed that our tariff interest in platinum and logs was even lesser. Was that assumption

correct? You will be interested to know that, as we expected, Japan has now offered bindings on flaxseed and hides to Uruguay.

U.S. Negotiation

The U.S. team here is obviously not too closely familiar with the fine points and implications of GATT procedures and provisions and we have had to put them straight on a number of things. Their anxiety about double bindings emerged only recently and was accompanied (or motivated) by the arrival here of Mrs. Potter from Washington. Their first suggestion was for an understanding in the protocol of Japanese accession that the U.S. would have certain "rights" over the third country concessions to Japan for which they had paid.

Our initial reaction was to oppose any such idea since the U.S. will themselves be getting paid fully by Japan for anything they give the third country. We were also disturbed over the granting of vague additional rights to the U.S. other than those implicit in GATT, unless the items were specifically bound to the U.S. Partly as a result of our talks with them, the U.S. dropped their idea of amending the protocol and proposed instead to have the third country bind its concessions for Japan both to Japan and to the U.S. They said it would be understood that the rights of Japan and the U.S. over such bindings would be split up in this way: Japan alone would seek compensation and, if this was not forthcoming, the U.S. alone would have the right to retaliate. Further, any retaliation by U.S. would be confined to withdrawal of items bound to the third country by the U.S. in these negotiations. On the basis of your instructions, we have told the U.S. we would agree to this procedure but would want the above limitations clearly spelt out in a written agreement between Canada, U.S. and Japan. The U.S. proposal was that their rights over the double-bound items would extend to any third country withdrawals, whether under Article 28, Article 19 or even the security and health exceptions. They feel it is their mission to ensure that third country concessions for Japan resulting from these negotiations are untouchable, permanent and immutable and sheltered from all the vagaries of normal GATT action. We have had to educate them in this respect and are making it clear that the U.S. rights over any binding are limited to their normal GATT rights. One possibility under the U.S. proposal: if we bound an item to both Japan and U.S. and we took action on this item under Article 19 and our bilateral Japanese trade agreement, we would face possible discriminatory retaliation against us by the U.S., even though U.S. trade was not affected by our action. Wyndham White, with whom we have discussed this, agrees this is going too far.

We are on the threshold of our U.S. "third country" negotiations. The detailed priority list you have sent me is excellent, just what we need. The U.S. have still not got their approval on the supplementary list — a strange situation after all the pressure for speed. They have started by asking us for a complete list of our possible offers so that they can determine how far to push approval of items on the supplementary list. While not giving them details of specific items, we propose to show them that we have enough in dollars and cents to buy all we want. George calculates our remaining concessions for Japan as covering about \$12 million imports from U.S. and Japan and possible duty reductions as amounting to \$500,000.

Of the items in the priority list you sent us, "canned hams" seems to be out. The U.S. tell us it has been dropped from their list because the main suppliers (Netherlands) are not negotiating here. We ourselves have deleted "wallpaper", on which the U.S. has now offered Japan a full reduction in the specific (none on the ad valorem). The U.S. also tell us any concession on slippers, upper leather or soybeans will be difficult for them.

Once we exclude canned hams, our priority list boils down to a trade coverage of only \$7 million Canadian exports in 1954, and on many of the items (e.g. methanol) it is questionable whether even a maximum reduction by U.S. would improve our trade. We understand also that one of the amendments to H.R.1 may have the effect of excluding from further negotiation any item now being reduced by more than 15 per cent. We feel, therefore, that what we are prepared to offer the U.S. may be worth much more than the totality of the requests on the priority list you sent us. Accordingly, I have added "chicken eggs" and "fox furs" to our list (both items were recommended by Ab Richards before he left) and have also added "carbon tetrachloride". If you have additional suggestions, I would appreciate having them. Also any further estimate of how much particular U.S. concessions are worth to us will be useful.

However, the main problem and one which may prove insoluble is the Japanese ability to pay the U.S. We have just had an informal visit from Kondo. He plans to fly back to Ottawa on May 8. Talking about our U.S. negotiations he has told us some disturbing news: Japan has practically nothing left with which to pay U.S. for third country concessions. Kondo said he thought they would be unable to pay the U.S. even for a Canadian duty reduction on toys. The reason, as he explained it, is that the U.S. have already extracted the maximum out of Japan in their own direct negotiations. One possible solution for this impasse is to persuade the U.S. to pay only for their own share of possible Canadian concessions, letting Japan benefit indirectly without having the item bound to Japan. However, the U.S. seem very averse to breaking up the triangle.

Fishsticks

The U.S. have retired to mull over our request. I was told privately that the Trade Agreements Committee (which is sitting permanently and invisibly at the Hotel du Rhône) have definitely turned down our proposed compensation and that they will be coming up with some alternative. I shall let you know of developments as they occur.

Article XXVIII

We are making arrangements to corner the various delegates as they get off the plane.

With best regards, etc.

MAURICE [SCHWARZMANN]

127.

DEA/9100-AO-40

*La délégation à la Conférence sur le GATT
au directeur de la Direction générale des Relations commerciales
internationales du ministère du Commerce*

*Delegation to GATT Conference
to Director, International Trade Relations Branch,
Department of Trade and Commerce*

Geneva, May 26, 1955

Dear Claude [Isbister],

FISHSTICKS

This is a postscript to the attached letter. We had quite a time on the final deadline night.

When I pointed out to the U.S. legal man that our agreement on this would of course cover only fishsticks and not the other items in their law, we stirred up the biggest hornet's nest you can imagine. We had the whole U.S. delegation running in circles, the TAC was convened and the U.S. went from initial confusion and dismay to indignation at our not having raised this matter with them before. They were going on the assumption that the "fishsticks" we had been negotiating was the generic term used loosely to cover all the items in their law. They had to admit someone on their side had blundered and to my surprise, they seemed to be seeing the text of their GATT notification for the first time.

At first I was quite prepared to sit this out and have them go through the hoops of applying under Article XXVIII for action on the fillets. On further consideration, we felt they might very well decide to act both on fishsticks and fillets under Art. 28 and that our embryonic settlement (including Canada's Art. 28 action) might be broken wide open. It was then I decided to phone you.

I do feel now that I should have been advised to raise this matter with the U.S. at an earlier stage in the negotiations. I was aware of course of the discrepancy between the U.S. law and the U.S. notification but, in view of the complete absence of instructions from Ottawa on this point, I had no idea what our position should be.

After talking with you, we decided it would be in our best general interests to try and reach settlement on everything now rather than run the obvious risks of failure and mutual recriminations. We met with the U.S., told them we would let them off the hook if we could reach reasonable settlement on everything. The list of possible concessions from the U.S. was limited because we had just obtained concessions on turkeys etc. in our third country agreement. We pressed for reduction on crab meat and in view of the strong resistance to this, I decided a binding on this item might be good security for the future. In addition we obtained U.S. agreement on our Art. 28 action on what George considered reasonable terms.

So the deed is done — I hope you will find it acceptable.

MAURICE SCHARZMANN

[PIÈCE JOINTE/ENCLOSURE]

*La délégation à la Conférence sur le GATT
au directeur de la Direction générale des Relations commerciales
internationales du ministère du Commerce*

*Delegation to GATT Conference
to Director, International Trade Relations Branch,
Department of Trade and Commerce*

Geneva, May 24, 1955

Dear Claude [Isbister],

FISHSTICKS

Our very sparse cable† telling you of the U.S. offer on herrings necessarily failed to give you the atmosphere and background of our fishsticks discussions. This cable was written at 2:30 in the salon of the Hotel de la Paix after an arduous late night session with the Americans, and we had the courier (who had arrived from Paris with your instructions that same day) take it back to Paris in the morning.

I must say that I found my position on fishsticks quite difficult. As you know, the Americans had been after me ever since they arrived in Geneva asking whether we could help them in their search for satisfactory compensation by given them factual data about fishstick trade and production and by suggesting items of interest to ourselves. Although I was skeptical at first, I do think they were sincere in their claim that they had no idea as to what importance we attached to the item.

It wasn't until quite recently that you asked me to propose the salt cod item as acceptable compensation. Their immediate reaction was that this item wasn't on the U.S. public lists and that it seemed too late to have it included now. In my discussions with them I made the most of all the arguments you had given me and placed particular emphasis on the regional and political aspects of the problem. I also stressed that it was up to them to solve their procedural and legal difficulties which appeared to be the only ones in the way of settlement.

When the U.S. put forward their package offer to settle both fishsticks and the Canadian withdrawals, we reacted much along the lines you did. However, the U.S. asked us to put this package to Ottawa and to come up with substitute proposals if we wished. As you know, your cable† to us simply turned down the U.S. package and did not suggest any substitute compensation for fishsticks other than the cod item. When I received these instructions I concluded that you were either interested in pressing for cod to the exclusion of anything else or that, for our own reasons, we wanted to block action by the U.S. under the sympathetic procedure. I felt that after having pressed so strongly for an item that would benefit the East Coast fisheries I could not, without your specific instruction, pick out some other (non-fish) item from the U.S. list as acceptable compensation. As you know, herrings and crab are about the only fish items on the U.S. public lists and you had never mentioned either of these in your messages to me.

Our meeting with the U.S. started at 9:00 p.m. and went on until early in the morning. We covered all the points included in your message. On fishsticks I again urged them to cut through their procedures and grant a concession on cod. I also gave them a little speech on our concern lest purely technical reasons on their side should prevent settlement. The

U.S. reaction was unexpectedly violent — at one point Lyons even banged the table. They said we were being completely unreasonable since we had held off making any suggestions till quite recently, and that the only item we had suggested was one we had never requested for inclusion on the public lists. He said we had been given an opportunity to make counterproposals and had none to make other than one which they had turned down and which Ottawa must know was just not a practical possibility. They said they had made sincere efforts to study the problem and to meet us but had received no co-operation. I expressed surprise that they should have found it necessary to renegotiate fishsticks if their information was that there were no trade possibilities in the item. We ended a lengthy discussion at about midnight with the U.S. team calling a special meeting of the TAC (one of whose members was in bed). We waited in another office until the TAC had finished their meeting and Lyons came in with their new proposal on herrings. He said the primary reason for their making such a “substantial offer” was their earnest and overriding desire to comply with their obligations and reach agreement. Also, he said if no agreement was reached Congress would react unfavourably towards Canada and would conclude that the kind of proviso in the fishstick bill was just a waste of time. He privately told us that some TAC members felt that in these negotiations Canada was being very sticky and difficult. He asked whether the broader implications on our general U.S.-Canadian relations were being kept in mind in Ottawa. We told him that the instructions we were getting obviously reflected serious concern in Ottawa both about fishsticks and about the third country operation. We left on this rather ruffled note and sent off our cable.

We are now awaiting your reply. Tomorrow, Wednesday, is the final deadline for any concessions by the U.S.

With all best regards,

YOURS SINCERELY,
M. SCHWARZMANN

128.

PCO

*Note du secrétaire d'État aux Affaires extérieures
pour le Cabinet*

*Memorandum from Secretary of State for External Affairs
to Cabinet*

CABINET DOCUMENT NO. 124-55

[Ottawa n.d.]

CONFIDENTIAL

RESULTS OF TARIFF NEGOTIATIONS AT GENEVA

Pursuant to earlier decisions of the Cabinet the Canadian delegation which attended the recent GATT conference has been participating in tariff negotiations with Japan and the United States, in preparation for the accession of Japan to the GATT, and with the United States on fishsticks. The delegation has also been negotiating certain changes in the Canadian tariff under Article XXVIII of the GATT; these negotiations have been conducted with the United States.

2. The results of all these negotiations, which have just been completed, are annexed to this memorandum for the consideration of the Cabinet.¹⁷¹ As was anticipated, the scope of the negotiations was limited but they embody a number of concessions of value to Canadian producers and appear, in sum, to be satisfactory. I understand that the increases on Canadian rates of duty and some of the reductions negotiated under Article XXVIII will be the subject of a resolution to be presented in Parliament on June 2 by the Minister of Finance, and that these increases and reductions would become effective on June 3. This matter is referred to in a separate memorandum to Cabinet from the Minister of Finance.†

3. A Protocol providing for the accession of Japan has now been opened for signature in Geneva.¹⁷² The concessions negotiated by Japan and other contracting parties are to be annexed to this Protocol, and it is desired by the United States, in order that it may implement its concessions under the authority of existing legislation, that the Protocol be signed before June 10 by all the Contracting Parties with which it negotiated concessions. By signing the Protocol a Contracting Party would certify that the concessions it had negotiated were correctly recorded and it would agree to the procedures set forth in the Protocol for giving effect to the concessions and for arranging for the accession of Japan.

4. The Protocol provides that the concessions negotiated by a Contracting Party would not come into effect until after it had notified the Executive Secretary of the GATT of its intention to apply them. Japan would accede to the GATT, through the entry into force of the Protocol, after a Decision on the accession of Japan, which is to be circulated separately, had received favourable votes from two-thirds of the Contracting Parties.

5. The United States authorities have prepared a document, constituting an agreement on fishsticks and similar products, which requires signature before June 11 if the United States concessions on this item are subsequently to become effective. This document, which will be annexed to a Presidential proclamation, will set forth the new duties on fishsticks and similar products and list the United States compensatory concessions to Canada.¹⁷³

Recommendation

With the concurrence of the Minister of Trade and Commerce and the Minister of Finance, I recommend that Cabinet agree

(a) that I be authorized to execute a full power authorizing Mr. L.D. Wilgress to sign, on behalf of the Government of Canada, the Protocol providing for the accession of Japan, and that an Order-in-Council be passed accordingly;

(b) that Mr. L.D. Wilgress be authorized to sign, on behalf of the Government of Canada, the agreement on fishsticks which has been drawn up by the United States authorities;

(c) that I may notify the Executive Secretary of the GATT, at the appropriate time, that the Canadian Government intends to apply the concessions relating to the accession of Japan; and

¹⁷¹ Cette annexe est reproduite dans Canada, Chambre des Communes, *Débats*, 1955, volume V, le 14 juin 1955, pp. 5041 à 5042.

This annex is reprinted in Canada, House of Commons, *Debates*, 1955, Volume V, June 14, 1955, pp. 4808-4809.

¹⁷² Voir l'Accord Général sur les Tarifs Douaniers et le Commerce, *Instruments de base et Documents divers*, Supplément N° 4, Genève : Les Parties Contractantes à l'Accord Général sur les Tarifs Douaniers et le Commerce, 1956, pp. 9 à 12, 36.

See General Agreement on Tariffs and Trade, *Basic Instruments and Selected Documents*, Fourth Supplement, Geneva: Contracting Parties to the GATT, 1956, pp. 7-10, 33.

¹⁷³ Voir Canada, *Recueil des conférences*, 1955, N° 13./See Canada, *Conference Series*, 1955, No. 13.

(d) that the Canadian Government may, at the appropriate time, vote in favour of the Decision on the accession of Japan to the GATT.¹⁷⁴

L.B. PEARSON

Concurred:
C.D. Howe
Minister of Trade and Commerce
Walter Harris
Minister of Finance

3^e PARTIE/PART 3
FONDS MONÉTAIRE INTERNATIONAL
INTERNATIONAL MONETARY FUND

129.

DEA/6000-H-40

*Le gouverneur suppléant de la Banque du Canada
au chef de la Direction économique
Deputy Governor of Bank of Canada
to Head, Economic Division*

Ottawa, June 15, 1955

Dear Ed [Ritchie],

I am attaching hereto two copies of a rather long memorandum summarizing the Article VIII-Article XIV discussions in the Fund Board.

Yours sincerely,
L. RASMINSKY

[PIÈCE JOINTE/ENCLOSURE]

*Note
Memorandum*

CONFIDENTIAL

[Ottawa], June 14, 1955

THE FUND AND THE MOVEMENT TO CONVERTIBILITY
THE TRANSITION FROM ARTICLE XIV TO ARTICLE VIII

Under Article VIII of the Fund Agreement, members undertake, subject to specified exceptions, not to impose restrictions on the making of payments and transfers for current international transactions without the approval of the Fund. This Article also prohibits the use of discriminatory currency arrangements or multiple currency practices, except as authorized by the Agreement or approved by the Fund.

¹⁷⁴ Approuvé par le Cabinet le 2 juin 1955. Le 24 juin 1955, le Canada a voté en faveur de l'accession du Japon.

Approved by Cabinet June 2, 1955. Canada voted in favour of Japan's accession on June 24, 1955.

A major exception to the above obligations is contained in Article XIV which provides that in the postwar transitional period members may maintain and adapt to changing circumstances their restrictions on current payments and transfers. Additionally, members whose territories were occupied by the enemy may, under this Article, introduce new restrictions on their payments. It is, however, laid down that members availing themselves of these transitional arrangements shall withdraw their restrictions as soon as they are satisfied that in their absence they will be able to settle their balance of payments in a manner which will not unduly encumber their access to the resources of the Fund. Thus, the criterion for the continued maintenance of restrictions under Article XIV is the balance of payments position of the member concerned.

The great majority of Fund members are still availing themselves of the Article XIV transitional arrangements. A few, such as the U.S., Canada, and certain Latin American countries whose currencies are convertible, have accepted the full obligations of Article VIII. The currencies of members who have accepted Article VIII are regarded by the fund as convertible, whereas those of Article XIV countries are regarded as inconvertible. Apart from this, the most important difference between the régimes under the two Articles is that under Article VIII the prior approval of the Fund must be obtained for the introduction of restrictions, whereas under Article XIV members may adapt and change their restrictions, being obliged only to consult with the Fund. Whereas the criterion for the maintenance of restrictions under Article XIV is the member's balance of payments position, the criterion for approval of the restrictions under Article VIII is not spelled out in the Agreement and depends on the purposes of the Fund, particularly the establishment of a multilateral system for current payments.

With the general improvement in the world's payments situation in recent years, and with the approach of sterling and certain other European currencies to general convertibility, questions arise as to the appropriateness of such countries remaining under Article XIV, whether the transitional period as such could be ended, and as to the policies and practices to be followed by the Fund when additional countries make their currencies generally convertible and come under Article VIII.

The various issues involved in the possible movement of a number of important Fund members from inconvertibility to convertibility for their currencies and from the régime of Article XIV to that of Article VIII were discussed in the Fund Executive Board on June 8, 1955, taking as a point of departure the most recent staff paper on the subject, (SM/55/35, a copy of which is attached together with a related legal paper setting forth the comparative obligations of members under Articles VIII and XIV).[†] Special significance is attached to this discussion not only because of the possibility of early moves to convertibility by the U.K. and certain European countries, but also because entry into force of important provisions of the revised GATT (annual consultation on trade restrictions and exceptions to the rule of non-discriminatory trade) is tied to the assumption of Article VIII responsibilities in the Fund by members accounting for 50% of world trade. (Since Canada and the U.S. which account for over 27% of world trade are already under Article VIII the 50 per cent figure would be reached if the obligations of Article VIII were assumed by the U.K. and one other country). Moreover, the right to impose discriminatory trade restrictions under the new GATT is tied almost exclusively to restrictions on payments and transfers permitted by the Fund under either Article XIV or Article VIII.

In considering the question of the transition of members from Article XIV to Article VIII, the Fund staff rejected two extreme possibilities. First, the wholesale transfer of all members to VIII, which would involve the approval under VIII of a high proportion of restrictions now maintained under XIV, and, on the other hand, a strict policy of admitting

to Article VIII only members whose currencies have been made convertible in the truest sense of the word, i.e. countries which have completely liquidated their exchange restrictions and discrimination. The reasons leading the staff to reject these two possibilities are set forth on pages 3 and 4 of the attached paper, SM/55/35.

As a practical programme of action, the staff proposed that on the introduction of general convertibility for their currencies, such countries as the U.K. should immediately come under Article VIII with the exchange restrictions remaining in their system at that time. They would be given a specified period in which to eliminate such remaining restrictions, which in the meantime would enjoy the temporary approval of the fund under Article VIII. According to staff thinking on the subject, the specified time period could be either uniform for the various countries becoming convertible or vary from country to country depending on circumstances. To help in the process of removing the remaining restrictions, the Fund resources would be available to members. At the end of the period the new Article VIII country would be expected to have eliminated its restrictions on the convertibility of its currency among members of the Fund for current transactions. (Note that this would appear to rule out Swiss-type convertibility).

A number of countries, particularly the Netherlands and Belgium, fear that in moving to convertibility and Article VIII, their position would be prejudiced, particularly from the trade point of view, by the right which inconvertible countries remaining under Article XIV would continue to enjoy in changing their exchange restrictions without the necessity of obtaining prior Fund approval, or put another way that the inconvertible countries would take the occasion to discriminate against them. To meet these fears, the staff envisaged some strengthening of existing policies and procedures in relation to Article XIV countries which would encourage the remaining Article XIV countries to eliminate their restrictions so far as possible consistent with their balance of payments position. In this connection, use might be made of that part of Article XIV which permits the Fund to make a formal "representation" to a member that conditions are favourable for the withdrawal of its restrictions.

The discussion in the Executive Board may be summarized under two main headings: (a) timing and procedure of the move from Article XIV to Article VIII, and (b) policy to be followed in approving restrictions under VIII. These subjects are dealt with in the following paragraphs. At the end of the paper an attempt was made to indicate the areas of agreement established and the probable direction of future discussions. This latter section also covers certain points which came up in private talks of Rasminsky with various Board members after the meeting.

TIMING AND PROCEDURE OF THE MOVEMENT FROM ARTICLE XIV TO ARTICLE VIII

U.S. Position

Southard indicated his sympathy with the staff view that the advent of convertibility for sterling and other currencies should be the signal for a new Fund policy vis-à-vis its members. However, if this hoped for development were to be long delayed he considered that something would in any case have to be done to overcome the anomaly that some Fund members were under Article VIII and others continued under a different régime, which could no longer be justified on the basis of postwar difficulties. He agreed that at the time of convertibility the countries concerned would not be in a position simultaneously to do away with all their remaining restrictions and discrimination. He, therefore, agreed that a transitional period of limited duration should be provided in which such restrictions would be eliminated. He was of an open mind whether this transitional period should be under

Article XIV or whether on C-day countries should, as the staff proposed, come under Article VIII. He expressed two main doubts about the staff proposals. Firstly, they did not look to a definite termination of the Article XIV transitional period and secondly, the proposals would continue the differential treatment with respect to restrictions as between convertible (VIII) and inconvertible (XIV) countries. While he agreed that some differentiation was inevitable, he felt that the staff paper went too far in the direction of leaving countries under Article XIV for an indefinite period — a position which might prejudice the willingness of stronger countries to make their currencies convertible and come under Article VIII. In this connection, he proposed that consideration should be given to ways and means of ending the transitional period, including study of the legal issue involved. It might not be possible to set a date related to the introduction of convertibility for certain currencies, but the Fund should be able to look forward to the definite end of the traditional arrangements in the not too distant future.

Canadian Position

Rasminsky suggested that in general the Fund's attitude to the problems before it should be conditioned by the desire to attain the objective of multilateralism and to serve the interests of its members. He agreed that it was realistic to assume that on the introduction of legal convertibility the countries concerned would still be maintaining a body of restrictions and discrimination. For this reason, he was in favour of a transitional or grace period of specified and short duration, during which the Fund would expect such members to liquidate their remaining discrimination and restrictions (except for such nominal restrictions as the Fund could properly approve under Article VIII). The Fund should be prepared to make its resources available to aid in this process. At the end of the prescribed period there should be no substantive restrictions on the convertibility of the currencies of the countries concerned among members of the Fund so far as current transactions were concerned. In this connection, he questioned the staff view that after convertibility there might be special problems in the early elimination of regional discrimination since once currencies were convertible it was, from a payments standpoint, a matter of indifference where imports came from and the sensible thing would be to buy from the cheapest source. Rasminsky disagreed with the staff suggestion that the transitional period should take place under VIII. He believed that during the prescribed period the convertible countries should remain under XIV, and when their restrictions had been eliminated at the end of the period they should come under VIII — thus Article VIII would be reserved for countries whose convertibility was real. The alternative policy would mean diluting Article VIII which contains the essence of the rule of multilateral payments. Moreover, if countries were brought under VIII with their present restrictions and discrimination, dangerous precedents of approval for such restrictions would be set. Finally, technical difficulties would arise in connection with repurchase obligations — a repurchase obligation might be incurred by the accumulation of an Article VIII country's currency which, because of approved restrictions, was not fully convertible in the hands of the holder. Rasminsky was not inclined to regard as decisive the fact that the entry into force of certain of the GATT provisions was linked to the assumption of Fund Article VIII responsibility by members accounting for 50% of world trade. He was of the opinion that this consideration of itself should not lead the Fund to opt for placing members under Article VIII as soon as their currencies had been made convertible, irrespective of the restrictions on payments which they maintained. So far as the right to discriminate under GATT was concerned, it was mainly the U.K. and one or two other sterling area countries operating under the "Havana option" which would be affected by the coming into force of the new Article XIV of GATT, and the 50% condi-

tion would be fulfilled as soon as the U.K. and one other country had come under Article VIII.

As a practical procedure, Rasminsky thought that countries going convertible should remain under Article XIV for a fixed period of short duration, after which they would be expected to come under Article VIII without discrimination or any significant non-discriminatory restrictions on current payments. At the same time, the Fund should let it be known that it intended to examine closely all the restrictions being maintained by the other Article XIV countries in view of the new conditions which had been established. During the course of this examination, which might last for a year or so following C-day, the Fund would expect those Article XIV countries whose payments position did not justify the maintenance of restrictions to move under Article VIII. The other Article XIV countries whose payments difficulties warranted the substantial use of restrictions would be expected to remain under XIV until their payments situation had sufficiently improved to warrant their coming under VIII.

The U.K. Position

Lord Harcourt, while appreciating the difficulties, considered that the staff arguments against the fairly early termination of the postwar transitional period were not conclusive. He expressed the hope that in due course, and as a matter of policy, the Article XIV transitional period could be brought to end. A logical point of time would be when a number of major currencies, including sterling, had been made convertible. He recognized that this implied the approval of a body of restrictions under Article VIII with its consequent dilution. However, he believed that for some of the member countries restrictions were pretty well inevitable and it would be more realistic to recognize them under a universal Article VIII régime than to maintain the pretence that they were the result of postwar difficulties (the U.K. is clearly anxious that in due course other countries should be made subject to the same régime of Fund discipline as they themselves expect under Article VIII).

Harcourt was not prepared to agree, as the staff had argued, that the introduction of convertibility and the acceptance of Article VIII obligations should be simultaneous. He believed that countries going convertible would still be maintaining restrictions and discrimination and would need a transitional period in which to get rid of them. In the U.K. view, this transitional period should be under Article XIV rather than Article VIII. A transitional period was required because the abandonment of discrimination would increase the totality of the payments burden of the countries concerned. There should, therefore, be a year or perhaps more in which the strains of convertibility could be taken gradually, at the end of which the countries would come under Article VIII with restrictions and discrimination eliminated so far as possible. (Rasminsky registered his reservation about the view that a justification for discrimination could be found in the need to control aggregate imports and pointed out that this could be done by other non-discriminatory methods).

As a second stage after a number of countries had made their currencies convertible and come under Article VIII, a further transitional period might be prescribed at the end of which all the remaining Article XIV countries would be expected to reduce their restrictions so far as possible and then come under Article VIII.

In the discussion of Harcourt's proposal for a two-stage universal transition to Article VIII, he was closely questioned as to the position of the U.K. so far as its restrictions would be concerned at the end of the first grace period, when the U.K. would expect to come under VIII. Bury, the Australian Director, argued that one year would be far too short a period to expect sterling area countries to get rid of existing trade and payments discrimination. The dismantling of discrimination would involve heavily increased calls

for dollars on the central reserves and should not be contemplated in so short a period. This view related particularly to the early introduction of sterling convertibility. If on the other hand sterling convertibility was delayed for another year, it should be possible to move in the direction of non-discrimination and a one-year transitional period after the formal act of convertibility might then be feasible. Even so, he was of the view that the degree of liberalization and non-discrimination would vary between sterling area countries at the end of the grace period. Under this pressure, Harcourt altered his position and emphasized that the U.K. could not, of course, guarantee to eliminate all its restrictions and discrimination at the end of the prescribed period after the introduction of convertibility. He thought it might be necessary at that stage to ask the Fund to approve whatever restrictions remained under Article VIII. At one point, he seemed to agree that a fixed period for the elimination of restrictions remaining after convertibility might not be appropriate. Later in the debate, Keogh, the U.K. Alternate, endeavoured to clarify the U.K. position and to emphasize that it was the U.K.'s intention to do away with all restrictions and discrimination so far as possible during any grace period which might be prescribed. It was made clear in the U.K. presentation that the U.K. was not considering the elimination of its exchange control machinery which would be maintained to control capital movements, as provided for under Article VI of the Agreement.

In response to a question whether other independent sterling area countries would move to Article VIII with the U.K. at the end of the grace period, Harcourt indicated that this was his understanding. This statement forced comments from both Bury and Prasad to the effect that such an assumption might not be warranted. Bury reiterated that it might not be possible for Australia to eliminate its discrimination in a fixed time period since important switches of resources allocation would be involved. Prasad emphasized that the question of whether independent sterling area countries would move with the U.K. was entirely open and would be for discussion and agreement amongst the countries concerned when the time came. It was not clear that an underdeveloped country, such as India, could forego Article XIV at the same time as the U.K.

The German Position

The German attitude as expressed by Donner was similar in most respects to that of Harcourt in his initial statement. He believed that there should be a fixed grace period for convertible countries under Article XIV before they would be expected to come under VIII, and that countries coming under VIII should have eliminated, or all but eliminated, their restrictions. (His position on this point was close to Rasminsky's). Finally, he considered that in due course and perhaps after a further grace period the Article XIV transitional arrangements might be brought to an end, with all countries assuming the obligations of Article VIII.

The Benelux Position

Van Campenhout expressed the view that the Fund should not take a doctrinal position on the obligations of its members under Article XIV on the one hand, and Article VIII on the other. The objective should be to work for the elimination of restrictions. He was opposed to pushing countries under Article VIII, until all but their marginal restrictions had been eliminated. He hoped that these conditions could be established by countries in a reasonable period after the introduction of convertibility for their currencies. He believed that world traders would expect countries coming under Article VIII to have reduced their restrictions to a minimum.

Van Campenhout questioned the staff view that at the end of the prescribed transitional period convertible countries should have no restrictions on the convertibility of their cur-

rencies for current transactions among members of the Fund. He believed it would be difficult to apply this principle to relations with certain countries remaining inconvertible, — Swiss-type convertibility. From this point of view, he believed that it would be difficult to fix a realistic grace period since the ability of countries like Belgium to eliminate all restrictions of payments would depend on the policies of the inconvertible countries. Although Crena de Jongh did not speak specifically to this point, it can be assumed that the Netherlands position is much the same since they are the leading advocates of the right of convertible countries to maintain restrictions vis-à-vis inconvertible countries. Crena limited his contribution to this part of the debate to an expression of agreement with the U.S. view that the transitional arrangements should be brought to an end and all countries subjected to the Article VIII provisions.

The Japanese Position

Yumoto was attracted by Harcourt's plan that countries going convertible should stay under Article XIV for a specified grace period before assuming the full obligations of Article VIII. This seemed sound to him since all countries had an interest in the strength and convertibility of major currencies, particularly sterling, and it would be most unfortunate if, having moved forward, it became necessary to retreat into inconvertibility. He thought that the U.K. and other main trading countries should in advance of the introduction of convertibility relax their restrictions in order to see in advance what the pressures of convertibility would be, and thus ensure success for the move when it was made. As to remaining Article XIV countries, he thought that they should reduce their restrictions, particularly after major currencies had been made convertible, and if the improvement in the payments situation was maintained the Fund might take policy decisions designed to bring about the removal of restrictions by these countries. The Japanese view was that countries whose currencies became convertible should abandon their discrimination, including any regional discrimination which might still be in existence.

The Position of India, Italy and China (Taiwan)

These countries may be grouped, broadly speaking, as in agreement with the staff view that it may be necessary for some countries to continue under Article XIV for a considerable and possibly an indefinite period. They also subscribe to the view that the Fund should not declare the termination of Article XIV, that countries should not be pushed to accept the obligations of Article VIII, and that in general the Fund should proceed to attain its objectives through persuasion and flexibility of approach and through the liberal use of Fund's resources, rather than in any aggressive or doctrinal way. Prasad, for India, made the additional point that underdeveloped countries undertaking development programmes are in a special position not contemplated when the Articles of Agreement were drawn. They are likely to encounter continuing payments difficulties over a considerable period of time and will probably have to resort to the use of both discriminatory and non-discriminatory exchange restrictions. In the circumstances, it might not be possible for such countries to accept the prior approval procedure and other obligations of Article VIII. It would be undesirable to set up strict rules if countries would not in practice be strong enough to live up to them. In general, it was Prasad's feeling that progress in the commercial policy field had not gone far enough to create an environment in which all countries could be expected to accept strict obligations on the payments side. In the light of these considerations, he thought that the idea of a transitional period for countries going convertible was useful and should be longer rather than shorter. While he agreed that approval for restrictions under Article VIII should be temporary, he believed the Fund should hesitate to prescribe a fixed time limit which, he thought, would encourage speculation. As regards countries continu-

ing under Article XIV, he would agree to the Fund exerting a little objective pressure in the direction of having restrictions removed in the new circumstances created by the convertibility of currencies.

The Position of France

De Largentaye, the French representative, took no important part in the debate. The French position on the general issues is, however, well known. Broadly speaking, the French give lip service to the objective of multilateralism but believe in practice that discrimination and regionalism should be the rule until the conditions are such that multilateralism is a practical objective. De Largentaye's main point in the debate was that the Fund does not have the legal right to terminate the postwar transitional period and Article XIV. In this, he had the support of the Belgian, and apparently the Italian, Executive Directors. Neither the U.K. nor the U.S. Director is convinced that the legal obstacles to termination of Article XIV cannot be overcome. However, even if this turns out to be the case, and the Board agrees to a legal opinion to this effect, Southard believes that the substance of the ending of the transitional period can be accomplished. For example, the Fund could issue a policy declaration that within a certain period countries should accept the obligations of Article VIII; if certain of them were not prepared in practice to respond, the Fund could use the formal "representation" procedure provided for in Article XIV, Section 4.

POLICY TO BE FOLLOWED IN APPROVING RESTRICTIONS UNDER ARTICLE XIV

The lead in this discussion was taken by the Canadian representative, because the question is critical to the future effectiveness of the Fund in dealing with restrictions, because it is a matter on which clarification is necessary at a time when countries are considering moving to Article VIII, and because in earlier Fund discussions doubt had been expressed in some quarters about the extent to which the balance of payments criterion should be the main standard against which the need to impose restrictions should be judged.

Article VIII indicates that prior Fund approval is required for the imposition of restrictions but does not indicate on what basis such approval would be given. Accordingly, reference must be made to the Fund's "Purposes" of which the most relevant is

"to assist in the establishment of a multilateral system of payments in respect of current transactions between members and in the elimination of foreign exchange restrictions which hamper the growth of world trade."

Rasminsky suggested that restrictions on payments under Article VIII should only be approved if, after careful examination of all the circumstances, the Fund was satisfied that the restriction proposed was necessary to meet balance of payments problems which could not adequately be dealt with by measures consistent with the general purposes and policies of the Fund. This should be the general rule. However, he recognized that the Fund's authority to approve restrictions under VIII was not legally limited to restrictions arising from payments difficulties. Accordingly, he agreed that on a case-by-case basis the Fund would be prepared to look at applications to impose restrictions for non-payment reasons. Such cases were likely to be the exception rather than the rule, and it would be difficult to prescribe in advance the criterion against which such applications would be judged. Therefore, the Fund should not, at this stage, go beyond indicating that in examining requests for restrictions particular regard would be had to the payments position and prospects of the member.

Rasminsky recalled that some countries (Belgium and the Netherlands) had expressed fears that strict application of the balance of payments criterion under Article VIII would not give protection against the damage which might be done to the member's trade by

discrimination against the member by inconvertible countries. In this connection, he noted that it would be unrealistic to expect that the pattern of trade established in conditions of inconvertibility would remain unchanged with the advent of more general convertibility. Thus some adjustments in countries' trade patterns should be expected. He believed that the policy he had outlined for the Fund would give such countries as much protection from the trade point of view as they could expect to see under an alternative system. All convertible countries who were in fact likely to be the main competitors in inconvertible markets would be under the same Article VIII régime. As for the inconvertible countries, the Fund would be taking a closer look at the justification for their discrimination and other restrictions in conditions of general convertibility. Thus, vis-à-vis both convertible and inconvertible countries there would be a reasonable degree of protection against discriminatory restrictions. The alternative proposed was to give convertible countries the right to discriminate vis-à-vis inconvertible countries. This right would inevitably have to be generalized and there would be no advance from the present position. The Fund could not authorize one member to impose restrictions etc. in order to obtain trade advantages without doing the same for all members.

Rasminsky emphasized that he was addressing himself to the substance of discriminatory restrictions and not to the form. Thus if a country wished to handle payments to and from another country in a particular way through its exchange control machinery, there would be no reason for the Fund to object provided there was no payments discrimination in substance. For example, a country might permit its citizens to make payments to another country without any formality whatsoever and require that permission should be obtained for payments to some other country. Provided such permissions were freely granted, there would be no restrictions in substance and the Fund should not object. It cannot be said that the Dutch and Belgian representatives were swayed by these arguments but Crenna de Iongh did admit that the more countries which became convertible, the less would be the risk to the trade of any one of them through discrimination by an inconvertible country.

In the discussion, the Canadian view was supported by the German representative who advocated a collective approach to the problem of trading with inconvertible countries. Some difference of opinion between Canada on the one hand and the U.S. and the U.K. on the other became apparent. This divergence reflected the U.S. and U.K. desire to get rid of Article XIV, in due course, in contrast with the tentative Canadian view that countries should remain under Article XIV for so long as their restrictions were such that they could not properly be approved under Article VIII. In the discussion, Southard said he was not dismayed by the prospect that in the end countries with considerable restrictions would have to be admitted to the company of Article VIII, and cited as examples countries with multiple rates, de facto rates, and free markets, all of which had some restrictive effects. He noted that the Fund had already approved many restrictions under Article VIII and was likely to go on doing so. Keogh, for the U.K., spoke along the same lines, emphasizing that it would be unrealistic to expect that all countries could eliminate restrictions. It was not clear from these statements whether the U.S. and the U.K. would be prepared to give broad approvals for restrictions under Article VIII for non-payment reasons, or whether it was envisaged that such approvals would be given under a liberal interpretation of the balance of payments criterion.

Conclusions

The discussion of Article VIII and Article XIV questions revealed a considerable area of agreement between the U.S., Germany, Canada and a number of other countries on the

timing of the movement of countries to Article VIII after the introduction of convertibility for their currencies. Some of the main points of agreement and disagreement may be summarized as follows:

(a) countries making their currencies convertible would not at that point of time be expected to have done away with all their restrictions and discrimination;

(b) countries making their currencies convertible should not be expected immediately to accept the obligations of Article VIII;

(c) such countries should, however, accept these obligations after a period of grace (six to eighteen months was mentioned) during which time they would be expected to get rid of their remaining restrictions and discrimination;

(d) it might not, in practice, prove possible for these countries to have eliminated the totality of their restrictions and discrimination by the end of the grace period. Provided however that the remaining restrictions had been reduced to the practicable minimum, most of the major countries believed that it would be appropriate for the residual restrictions to be approved under Article VIII. The Canadian view was that situations of this kind should be examined on their merits to see whether in fact the remaining restrictions could properly be justified and approved under Article VIII in the light of the payments position of the member concerned;

(e) there was a considerable measure of agreement that after a number of member countries had made their currencies convertible and accepted the obligations of Article VIII, there should be a further period of perhaps one year in which the remaining Article XIV countries would be expected, in consultation with the Fund, to reduce their restrictions to a minimum. A number of countries — the U.S., the U.K., Germany and the Netherlands — considered that at about that time all countries should be brought under Article VIII in order to avoid the continuation of two different kinds of Fund régime with respect to restrictions. It was left open as to how this should be accomplished, but two main possibilities were considered. First, the termination of the postwar transitional period if this was legally possible, and secondly, the increased use of the powers of persuasion of the Fund to induce countries to come under Article VIII, whether or not the postwar transitional period was formally terminated. The Fund staff, Canada, and a number of other countries, expressed doubt, for a variety of reasons, whether it would be desirable to proceed in this way. In general they preferred to continue Article XIV in being until the payments position of Article XIV countries was such that they could come under Article VIII without substantial restrictions while strengthening the administration of Article XIV.

After the meeting, Rasminsky indicated to Southard, the U.S. Director, that the Canadian position on the question of termination of Article XIV was still open and that he did not rule out the possibility of a universal move to Article VIII in due course.

(f) There was agreement that the prior approval requirement of Article VIII could be made to work in practice. Either countries would give the Fund sufficient notice to enable considered decisions on the imposition of restrictions to be taken or, more probably, the Fund's approval would only be given for a short temporary period during which time a more complete consultation could be organized, after which the temporary approval would be reviewed;

(g) there appeared to be pretty general agreement that, as a rule, the approval of restrictions for balance of payments reasons under Article VIII should be for a temporary period, and that the Fund would at intervals possibly of one year duration, consult with the member about the need to continue the restriction, including the question of whether the Fund's approval would be renewed.

POSSIBLE RELATIONSHIP BETWEEN THE FUND'S DECISION ON ARTICLE XIV
AND ARTICLE VIII AND A STAND-BY FOR STERLING

In a private discussion after the meeting, the U.S. Executive Director indicated his satisfaction with the way the discussion had gone. He suggested that a formal Fund policy statement on the transition to Article VIII of countries making their currencies convertible might be of considerable assistance in connection with the arrangements which might have to be made between the Fund and the U.K. about the possible use of the Fund's resources to support the convertibility of sterling. If the Fund policy statement indicated that countries making their currencies convertible would be expected to come under Article VIII after a short prescribed period at the end of which discrimination would have been eliminated and other restrictions on their payments almost entirely eliminated, then the U.K. on going convertible might inform the Fund and indicate publicly that it accepted the procedure outlined in the policy statement. A technique of this kind might avoid the necessity of writing detailed quid pro about the nature of the convertibility which the U.K. would maintain into any stand-by agreement. Similar considerations might apply in case the U.K. decided not to conclude the stand-by and it was agreed to proceed instead by way of a fund policy declaration to the effect that countries going convertible could count on maximum support from the Fund, i.e. drawings up to 100% of quota.

Southard also indicated in this discussion that he was more attracted that he had previously been to the idea of leaving Article XIV in existence for the time being and deferring consideration of general action to terminate it until some experience with the effects of convertibility had been gained.

130.

DEA/6000-H-40

*L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures*
*Ambassador in United States
to Secretary of State for External Affairs*

TELEGRAM WA-1055

Washington, June 27, 1955

CONFIDENTIAL. IMPORTANT.

Reference: My immediately following teletype.

INTERNATIONAL MONETARY FUND — TRANSITION OF ARTICLE XIV
COUNTRIES TO ARTICLE VIII

Following for L. Rasminsky, Bank of Canada, from Warren, Begins: My immediately following message contains the text of the draft policy statement as revised after Friday's meeting with Harcourt and Southard. Changes other than those dealt with in this message are underlined. We did not attempt to clean up drafting at this stage.

2. The main alteration of our initial text is the insertion of alternative 1 for Section III, under which Article XIV would be terminated after post-convertibility interim period. This alternative is strongly preferred by Harcourt; and on balance by Southard, who seems satisfied legal difficulties can be overcome. Both appear to regard alternative 2 as second best, to be resorted to if Article XIV cannot be dispensed with; but question is still open.

3. It has been agreed that we should put the two alternatives on timing, and the suggested criteria for Article XIII [sic] approvals before our respective authorities as a matter of

urgency. We hope to have a further informal meeting at the end of this week, in an effort to reach an agreed or nearly agreed position before the matter goes to the board on July 6th.

4. My guess is that the main question at our next meeting will be whether Canada can accept alternative 1 given agreement on the criteria to be applied under Article VIII. This appears to turn on whether we can expect the fund in fact to disapprove restrictions not consistent with the criteria. If we could be confident of this, then the matter of outstanding restrictions at the end of the interim period under alternative 1 would look much less large. Theoretically, at least, countries would have to come under Article VIII, but any remaining restrictions not consistent with the criteria would not be approved. It is probably unrealistic to expect the fund to be this strict when it comes down to cases, and some exceptions would no doubt be made. But if we had a firm understanding with the United States and the United Kingdom to support as strict as possible observance of the criteria then the exceptions might be kept to a real minimum.

5. You will notice that the paragraph on the criteria to be applied to under-developed countries under VIII has been strengthened by the addition of a sentence to the effect that so far as discriminatory restrictions are concerned these countries would be on an equal footing with the rest of the membership.

6. There is some confusion about the status of the last sentence of the final paragraph of alternative 2 concerning fund support for convertibility. Southard and I had understand that for purposes of our further discussions it should be deleted. However, Harcourt has put it back to London for consideration.

7. Harcourt and Keogh think that the introductory section 1 should be strengthened by the deletion of the second sentence concerning the attainment of the fund objectives, and the substitution of something along the following lines:

“Such a development would mean that virtually all international trading transactions would be conducted on the basis of convertible currencies. In conditions in which countries will receive convertible currencies for the bulk of their exports and will be obliged to pay convertible currencies for the bulk of their imports, the reasons for and the incentives to maintain discriminatory exchange restrictions will in the opinion of the fund substantially diminish and tend to disappear. Such a situation would raise ...”

8. It would be helpful to have your instructions by the close of business on Thursday, June 30. Ends.

131.

DEA/6000-H-40

*L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures*
*Ambassador in United States
to Secretary of State for External Affairs*

TELEGRAM WA-1056

Washington, June 27, 1955

CONFIDENTIAL. IMPORTANT.

Reference: My immediately preceding teletype No. 1055.

INTERNATIONAL MONETARY FUND — TRANSITION OF ARTICLE XIV
COUNTRIES TO ARTICLE VIII

Following for L. Rasminsky, Bank of Canada, from Warren, Begins: Following is text of the draft policy statement as revised in talks with Harcourt and Southard:

Quote. Draft policy statement on the transition of Article XIV countries to Article VIII.

I. A number of important countries, in addition to those members who have already accepted the obligations of Article VIII, intend to make their currencies legally convertible at an early date. Such a development would create conditions favourable for the attainment of the fund's objectives. It would raise the question of when countries taking this step should come under Article VIII and whether the remaining countries with inconvertible currencies should remain under the transitional arrangements provided by Article XIV or whether they also should accept the obligations of Article VIII and if the latter, under what conditions.

II. *The approval of restrictions under Article VIII*

In administering Article VIII the fund will examine the situation of each country individually and will take account of special circumstances present in each case. It will be guided in its decisions by certain general principles which are set out in the remainder of this section. In principle the fund will expect members coming under Article VIII to have eliminated all their discriminatory exchange restrictions. When the circumstances *warrant the fund will approve* the maintenance or introduction of non discriminatory exchange restrictions. However, except in special circumstances, the fund would approve such restrictions only when satisfied that they were necessary to overcome balance of payments difficulties which could not be dealt with satisfactorily or in reasonable time by alternative measures consistent with the purposes and other articles of the fund agreement, including appropriate use of the fund's resources.

The fund's approval of exchange restrictions under Article VIII would be given for specified periods (*ordinarily one year?*) and the fund would consult with the member concerned with respect to the justification for the continued maintenance of restrictions so approved.

In considering requests for the approval of restrictions in accordance with the principles set forth above the fund will *take into account* the special problems of countries with a low standard of living whose relatively less advanced economies are undergoing the process of development. *However, in view of the considerations outlined especially in section I above, there would appear to be no more justification for discriminatory restrictions by these countries than by other countries.*

Alternative I

III. *The timing of the movement of Article XIV countries to Article VIII*

The fund would declare, in accordance with the considerations set forth in section I, that the circumstances and conditions comprising the postwar transitional period would be ended after a reasonable period following a general convertibility. This period would be agreed upon and might be 12 months. Thereafter Article XIV would be declared to be without effect, and all countries would be transferred fully to Article VIII in accordance with the principles set forth in II.

During the interim period the fund would consult with all Article XIV members concerning the level of their restrictions, the ways in which the fund could facilitate their removal, and the extent of any restrictions which at the end of the period the fund might be willing to approve under Article VIII.

*Alternative 2*III. *The timing of the movement of Article XIV countries to Article VIII*

Article XIV countries making their currencies legally convertible (for residents and non-residents, or for non-residents only) *will accept* the obligations of Article VIII after a specified interim period (for example 12 months) in which they will eliminate all exchange restrictions of a discriminatory character, and all non-discriminatory exchange restrictions which could not be approved by the fund under Article VIII in accordance with section II above.

Countries not making their currencies legally convertible at the time when the United Kingdom and other important trading countries do so *would also assume* the obligations of Article VIII by the end of the interim period referred to in the preceding paragraph. These countries should also have eliminated their exchange discrimination and reduced their non-discriminatory restrictions to the practicable minimum. In this connection it is recognized that consistent with the criteria stated in Section II the fund will be prepared to give its approval under Article VIII to a residue of non-discriminatory restrictions.

In cases where Article XIV members have not eliminated discrimination and reduced their non-discriminatory restrictions to the extent that the remainder could properly be approved under Article VIII, the fund would consider whether the members position was such as to warrant a "representation" under Article XIV, section 4, that conditions were favourable for the withdrawal of the restrictions which the fund was not prepared to approve under VIII. Alternatively, and if in the fund's judgement such an exception seemed necessary, an extension of the interim period could be given in which the member could be expected to complete the process of eliminating such restrictions.

During the interim period the fund would consult with all Article XIV members concerning the level of their restrictions, the ways in which the fund could facilitate their removal, and the extent of any restrictions which at the end of the period the fund might be willing to approve under Article VIII. (Article XIV countries requesting access to the fund's resources in support of a *move to general* convertibility could expect a favourable response from the fund on certification to the fund that they intend to move to Article VIII in accordance with this section.) Unquote.

132.

DEA/800-18-10

*Note du gouverneur suppléant de la Banque du Canada**Memorandum by Deputy Governor of Bank of Canada*

[Ottawa], June 30, 1955

INTERNATIONAL MONETARY FUND
TRANSITION FROM ARTICLE XIV TO ARTICLE VIII

Warren and I took part in discussions with the U.S. and U.K. directors and alternates in Washington on June 23rd.

The British remain anxious to force a general move from XIV to VIII and the Americans also lean increasingly in that direction. The British feel that it will be easier to "get at" countries under VIII, and that the Belgians and Dutch will remain under XIV and play games if given the opportunity. The U.S. seem to be receiving more and more complaints

about discrimination and are finding it increasingly difficult to explain the persistence of the transitional period arrangements in the Fund.

The talk centred largely around the criteria the Fund could apply in administering VIII. It is apparent that if a large number of countries were to be brought under VIII, many restrictions will have to be authorized but the thought was developed that the damage would be minimized if the Fund was lenient with underdeveloped countries but tough with others. It was agreed that after convertibility of the major currencies the Fund should not authorize currency discrimination under VIII.

It was decided to try to reach agreement among the three countries before taking the matter to the Board on July 6. Warren and I prepared a draft policy statement which was submitted to the others on June 24. Telegrams 1055 and 1056 of June 27 give the text of the statement as it emerged from discussion with the U.S. and U.K.

It is apparent that the main question is whether there should be a formal termination of Article XIV as proposed by the British in Alternative 1 of Section II, or whether we should seek to get the great majority of countries under Article VIII, while leaving XIV in existence for really bad cases, as we proposed in Alternative 2.

After discussion with Plumpton, Ritchie and Isbister, I phoned Warren along the following lines:

1. We very much prefer Alternative 2 and would in fact not find it possible to support 1, though we can have no objection if the U.K. and U.S. decide to put it forward.

2. Without going over the whole ground again, our reasons for not supporting Alternative 1 are these:

(a) We strongly doubt whether it will in fact be possible to apply the criteria of Section II if countries are brought under VIII by force rather than by persuasion. We believe that as a practical matter the Fund will have to agree to restrictions which cannot be justified on balance of payments grounds or other grounds which commend themselves to us, and this will compromise the administration of Article VIII for the future.

(b) We have misgivings about the propriety of the Fund making formal representations under XIV and then positively approving the same restrictions, even for a limited period, under VIII. (The Americans have this method of ending the transitional period in mind.) This may get round the legal difficulty of terminating XIV, but it makes the Fund look foolish.

(c) We doubt that a majority of the members of the Board would willingly agree to Alternative 1, and in a matter of this kind where there is reason for difference in judgment as to what course the Fund should pursue and where there is some question as to the legal powers of the Fund, we think it would be unfortunate to take a decision which was not supported by the majority of heads.

3. Perhaps we could go some way to meet the British (and U.S.) view by something along these lines:

“Within 12 months after the time when countries responsible for 50 per cent or more of the foreign trade conducted by members of the Fund in 1954 have assumed the obligations of Article VIII, the Fund will give consideration to terminating the transitional arrangements provided by Article XIV.

4. Drafting Points:

(a) Harcourt's proposal for introductory section is acceptable.

(b) “ordinarily one year”—better not say this as we may wish to give shorter approvals to provide time for GATT consultations.

(c) added sentence on discrimination at end of II is acceptable.

(d) first sentence of second paragraph of Alternative 2 is not quite accurate as the interim period may be extended under the following paragraph.

L. R[ASMINSKY]

133.

DEA/6000-H-40

*L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures
Ambassador in United States
to Secretary of State for External Affairs*

TELEGRAM WA-1156

Washington, July 12, 1955

CONFIDENTIAL. IMPORTANT.

INTERNATIONAL MONETARY FUND — TRANSITION OF ARTICLE XIV
COUNTRIES TO ARTICLE VIII

Following for L. Rasminsky, Bank of Canada, from J.H. Warren, Begins: The instructions which have been received from London confirm the advance indications of United Kingdom views provided by Keogh and Harcourt. The United Kingdom intends to accept the obligations of Article VIII after an interim period (twelve months) following the introduction of legal convertibility for sterling. The hope is that other countries, convertible and inconvertible alike, would also be prepared to come under VIII at that time. Indeed the United Kingdom would support the termination of the Article XIV transitional period at the end of the interim period if this could be *unanimously* agreed by the board. Failing unanimity or overwhelming support for termination, United Kingdom views on timing seem very much like our own, although a good deal less precise. They seem to envisage other countries coming under VIII on their own initiative and in their own time within reasonable limits. Thereafter the "representation" procedure of Article XIV might be directed at laggards and finally if such countries failed to respond, the question of terminating the post-war transitional period would arise. All this represents a reversal of position previously taken here by United Kingdom representatives that United Kingdom must move to VIII in company and the best way to achieve this would be to obtain a decision on termination of XIV, even if over opposition.

The most disturbing feature of the United Kingdom position is the apparent willingness to see the fund approve an undefined level of restrictions under Article VIII, including discriminatory restrictions where a country has no other reasonable course of action. Southard and I have left Harcourt in no doubt about how seriously we regard this development and London has been asked to reconsider the matter and explain what is intended. Since United Kingdom instructions are believed to have been cleared with ministers, there is a danger that their position on discrimination may already be frozen.

From here it is a little difficult to understand what lies behind the apparent reversal of the United Kingdom attitude on discrimination and Harcourt is unable to shed much light on the subject. General scarcity of a particular currency is a matter to be determined initially under Article VII, Section 1, and conceivably a next step might be the approval of discriminatory restrictions for certain countries under VIII. Harcourt and Keogh both mentioned "hardcore" restrictions and mistakenly seemed to believe that under the GATT they could be discriminatory. So far as sterling area discrimination is concerned, Harcourt has

told us that at the end of the interim period the United Kingdom will not be asking ISA countries to discriminate in favour of the United Kingdom. The situation is thus particularly confused and we must await further clarification from London.

I suspect that in addition to whatever their own interests may be, United Kingdom views on this issue are not unrelated to their desire to bring the Europeans along with them. Whitehall officials apparently consider that our draft policy statement is much too precise and rigid and would frighten members from accepting the obligations of VIII. For this reason, *inter alia*, they would prefer a much more general and looser decision. Incidentally, United Kingdom authorities seem to believe that their views on what might be approved under VIII, including discriminatory restrictions, correspond to statements made by Overby when he was in Europe. I gather also that the London people were shocked by Southard's proposal that the fund should insist on non-discrimination after the interim period, whether a country was under *Article VIII* or *Article XIV*. At the moment the gulf between the United Kingdom position on discrimination and the development of our thinking here appears to be very large indeed.

Southard and I have had some further talks about tactics at the meeting on the 20th. He has not given up hope of reaching something like a tentatively agreed draft decision before the annual meeting. This appears also to be the United Kingdom's desire. Southard suggests that at the beginning of the debate he and Harcourt should argue very strongly for the termination of Article XIV after the interim period. He assumes that thereafter a number of other directors would speak in opposition to this on legal and other grounds. He hopes that we would then intervene and outline our ideas on how Article VIII should be administered and how the transition to VIII should be brought about. If our views seem to represent something like middle ground, Southard wonders whether you would be prepared, on a personal basis and without committing the Canadian authorities, to circulate, at that stage, a draft policy statement for consideration. This being done, it might be agreed to hold a further meeting on Friday, 22nd, to see if broad agreement could not be reached on language which might be sent back to governments for further study with a view to informal discussion at Istanbul and possibly a formal board decision in October or November. I personally see some virtue in circulating a draft in order to focus the further discussion and to ensure that something moderately clear and coherent goes back to other governments.

In my immediately following telegram, you will find a revised version of our draft statement which reflects the latest discussions here with Southard and others and which is designed to go as far as possible to meet the United States position without compromising our own. The draft is for your consideration. Southard says that if you felt able to produce this draft or something very like it at the end of the meeting on the 20th, he would be able to welcome it and accept it as a working basis for further discussions. Perhaps you will wish to discuss some of the points in this new draft with me on the telephone. Ends.

134.

DEA/6000-H-40

*L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures*
*Ambassador in United States
to Secretary of State for External Affairs*

TELEGRAM WA-1157

Washington, July 12, 1955

CONFIDENTIAL. IMPORTANT.

Reference: My telegram WA-1156 of today's date.

INTERNATIONAL MONETARY FUND — TRANSITION OF ARTICLE XIV
COUNTRIES TO ARTICLE VIII

Following for L. Rasminsky, Bank of Canada, from J.H. Warren, Begins: Following is a revised text of our draft policy statement, Begins:

1. A number of important trading countries whose currencies are not yet fully convertible are expected to introduce legal convertibility at an early date. Such a development would mean that virtually all international payments would be effected in convertible currencies. In conditions in which countries will receive convertible currencies for the bulk of their exports and services and will pay convertible currencies for the bulk of their imports and other external expenditures, the reasons for and the incentive to maintain discriminatory exchange restrictions for payments reasons will diminish and disappear.

The introduction of more general convertibility would raise the question of when and under what conditions Article XIV countries, including those whose currencies remain inconvertible as well as those whose currencies are made legally convertible, should assume the obligations of Article VIII of the Fund's articles of agreements.

II. The Fund's policy on the approval of restrictions under Article VIII.

In administering Article VIII, so far as the approval of restrictions is concerned, the Fund will carefully examine the situation of each country wishing to introduce or intensify restrictions and will take into account of the special circumstances present in each case. It will be guided in its decisions by certain general principles as follows:

(a) Except in conditions of general scarcity of a particular currency as determined under Article VII, Section I, the Fund would not be disposed to approve discriminatory exchange restrictions for payments reasons under Article VIII. Members assuming the obligations of Article VIII should have eliminated all such discriminatory payments restrictions.

(b) When the circumstances warrant, the Fund will approve the maintenance or introduction of non-discriminatory exchange restrictions by a member. However, except in special circumstances, the Fund would approve such restrictions only when satisfied that they were necessary to overcome balance of payments difficulties which could not be dealt with satisfactorily, or in reasonable time, by alternative measures consistent with the purposes and other articles of agreement, including appropriate use of the Fund's resources.

(c) In considering requests for the approval of restrictions under Article VIII, in accordance with the principles set forth in (a) and (b) above, the Fund will take into account the special problems of countries with a low standard of living, whose relatively less developed economies are undergoing the process of development. However, in view of the considerations outlined in Section I, the Fund would be no more disposed to approve the introduction of discriminatory restrictions by these countries than by other Fund members.

(d) The Fund's approval of exchange restrictions would be given for specified temporary periods and the Fund would periodically consult with the member concerned (not less frequently than once a year) with respect to the justification for the continued maintenance of restrictions so approved.

III. Consultations with the GATT concerning import restrictions.

When consulted by the contracting parties to the GATT with respect to the justification for import restrictions maintained or proposed for balance of payments reasons by a GATT member which has accepted the obligations of Article VIII of the Fund agreement, the Fund's findings will be consistent with the general principles set forth in (a), (b) and (c) above, for the approval of exchange restrictions.

IV. The timing of the movement of Article XIV countries to Article VIII.

Subject to the following paragraphs, all Article XIV countries will accept the obligations of Article VIII after a specified interim period (for example twelve months) following the introduction of legal convertibility by the United Kingdom and such other countries as make their currencies convertible at that time. During this interim period, Article XIV countries will eliminate all their exchange restrictions which could not be approved by the Fund under Article VIII, in accordance with Section II above.

During the interim period, and until all members have assumed the obligations of Article VIII in accordance with this section, the Fund will consult with each Article XIV member concerning the elimination of its discriminatory restrictions, the reduction of its other exchange restrictions to a level consistent with their being approved under Article VIII, and the assumption by such countries of the obligations of Article VIII.

In cases where Article XIV members have not reduced their restrictions to the extent that the remainder could properly be approved under Article VIII at the end of the interim period, the Fund would consider whether the member's position was such as to warrant a "representation" under Article XIV, Section 4, that conditions were favourable for the withdrawal of the restrictions which the Fund was not prepared to approve under VIII. Alternatively, and if in the Fund's judgment such an exception seemed necessary, a brief extension of the interim period might be given in which the member would be expected to complete the process of eliminating such restrictions and come under Article VIII.

In any event, within twelve months after the time when countries responsible for 50 percent of foreign trade conducted by members of the Fund in 1954 have assumed the obligations of Article VIII, the Fund will give consideration to terminating the transitional arrangements provided for by Article XIV.

In view of the circumstances outlined in Section I above, the Fund, as a matter of policy, would expect all members, whether or not still remaining under Article XIV, to have eliminated all discriminatory exchange restrictions maintained for payments reasons by end of the interim period.

135.

DEA/6000-H-40

*L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures*
*Ambassador in United States
to Secretary of State for External Affairs*

TELEGRAM WA-1166

Washington, July 13, 1955

CONFIDENTIAL. IMPORTANT.

Reference: Our telegrams No. 1156 and 1157 of July 12, 1955.

INTERNATIONAL MONETARY FUND — TRANSITION FROM ARTICLE XIV
TO ARTICLE VIII

The following for L. Rasminsky, Bank of Canada, from J.H. Warren, Begins: Harcourt called Southard and me to his office this morning to explain further the United Kingdom position with respect to the possibility of approval being given for discriminatory restrictions under Article VIII.

The United Kingdom agrees that there would be no balance of payments justification for discrimination by convertible countries after the interim period. The United Kingdom itself intends to abandon its discrimination by that time. However, the United Kingdom considers that some countries (notably France which has nil liberalization vis-à-vis the dollar area) may not have been able to eliminate their discrimination in so short a period and will argue payments reasons for their remaining discriminatory restrictions. In the circumstances it is considered that the fund's decision should not preclude the possibility of approving discriminatory restrictions for payments reasons under Article VIII.

The position of France and the desire not to leave France behind appears to be very important in United Kingdom thinking. In the United Kingdom view, it would be virtually impossible, for political and administrative reasons, for France to rid itself of discrimination in twelve months, after legal convertibility. They believe that if France is to take part in the forward movement and is not to fall back into strictly bilateral trade and payments arrangements, the international framework must be such as to accommodate the French and to permit them to progress slowly under international surveillance. Accordingly, the United Kingdom believes that the régime under VIII should be neither "rigid" nor "doctrinaire" and that the fund's decision should reflect a flexible attitude and should be of a nature to be passed in the board without a vote. My immediately following telegram† contains the text of a decision which would be acceptable to the United Kingdom. Harcourt is asking Southard not to feed this text into the administration for the time being. In the next three or four days we are to try and work out an acceptable compromise. You will note that the United Kingdom draft maintains the idea of a universal transition to Article VIII after the interim period. This is the United Kingdom's opening position, but Harcourt's instructions are such as to allow him to abandon this in favour of something along the lines of our own proposal on timing.

So far as United Kingdom discrimination is concerned, the hope is to have entirely eliminated all discriminatory restrictions by the end of the interim period. However, no guarantee to this effect can be given at present and there is a possibility that for protective reasons some import discrimination would continue to be necessary. Apparently there are a few items where the major competition will come from dollar sources and in connection

with which non-discriminatory quotas would involve going back on United Kingdom's liberalization vis-à-vis non-dollar countries. As presently advised, United Kingdom officials tend to the view that any such discrimination for protective reasons would not be the affair of the Fund but could be approved under the GATT (presumably under some waiver provision).

136.

DEA/6000-H-40

*Le secrétaire d'État aux Affaires extérieures
au haut-commissaire au Royaume-Uni*

*Secretary of State for External Affairs
to High Commissioner in United Kingdom*

TELEGRAM NO. 1166

Ottawa, July 15, 1955

CONFIDENTIAL. IMPORTANT.

Reference: Your telegrams Nos. 997 and 998 of July 12.†
Repeat Canac Paris No. 810; Washington EX-1277.

INTERNATIONAL MONETARY FUND — TRANSITION FROM ARTICLE XIV
TO ARTICLE VIII

The developments in the U.K. position reported in your telegrams have been very disappointing to us.

2. As you know, there has been a difference of opinion between the British and the Americans on the one hand and ourselves on the other regarding the desirability of forcing Article XIV countries which were not making their currencies legally convertible to assume the obligations of Article VIII. The British and Americans were anxious to bring Article XIV to an end by Fund decision, while we were afraid that in order to do so it would be necessary for the Fund to give its consent under Article VIII to a degree of restriction and discrimination which, for a good many countries, would go beyond what could be justified on balance of payments grounds. We were afraid that if the Fund started approving restrictions under Article VIII on this basis it would weaken its position for the future, and that it was therefore preferable not to put pressure on countries to accept the obligations of Article VIII unless they were in fact able and willing, within a reasonable time, to virtually do away with discriminatory exchange restrictions and reduce others to minimal proportions which could be objectively justified on balance of payments grounds. The Fund would apply pressure to the countries remaining under Article XIV to reduce restrictions and eventually come under Article VIII. We recognized that under Article VIII the Fund would have to be relatively lenient in authorizing restrictions for under-developed countries.

3. In the past few weeks our representatives in the Fund have been trying to work out with the British and American representatives a statement of policy which would indicate the criteria the Fund would apply in administering Article VIII and which would indicate how the transition from Article XIV could take place. It seemed that real progress was being made at this level and a draft policy statement was under active discussion which, despite its compromises and generalities, was nevertheless, in our view, neither doctrinaire nor unrealistic.

4. However, in the past week or so both the Americans and the British shifted their positions, probably in consequence of consideration of the problem at the ministerial level. The Americans, who had previously had as their main objective the formal termination of the "transitional period" and who, in order to accomplish this, were prepared to have the Fund under Article VIII, approve for many countries the present state of affairs, suddenly decided that the really important thing was for the Fund to declare boldly that, when a brief interval had elapsed after the major currencies had become convertible, the Fund would neither approve discrimination under Article VIII nor acquiesce in it under Article XIV. On the other hand, the British, who had previously argued that it was of vital importance to them to terminate Article XIV because sterling must, after convertibility, be protected against discrimination, and that it was essential to get the Belgians, Dutch, etc., away from Article XIV where they could play tricks and into Article VIII where the Fund could "get at" them, have now suddenly reversed the field and want the Fund to make an explicit statement encouraging countries to expect the Fund to authorize discrimination under Article VIII.

5. Taken in conjunction with the most recent developments in Paris regarding trade rules, etc. we find the latest British move discouraging and fear that it reflects a revival of regionalist thinking.¹⁷⁵ Admittedly, our representatives in the Fund have been told by Harcourt of the British view that there will be no balance of payments justification for discrimination by convertible countries after an interim period of say one year following convertibility, and that the United Kingdom hopes to have eliminated all discriminatory restrictions by the end of this interim period; but we are puzzled to find no reflection of this in the statement Rowan gave you, and have said so to Harcourt. Moreover, Harcourt has also told us and the Americans that the U.K. will expect the Independent Sterling Area to have abolished discrimination in its favour by the end of the interim period; on the other hand, he has also said that the U.K. may wish to maintain discriminatory import restrictions for protective (rather than balance-of-payments) reasons after the interim period and that this will be a matter for GATT rather than the Fund. We have not as yet examined in detail the implications of this, but it is obvious that they are disturbing.

6. In the circumstances it is clear that there is no point in pursuing the search referred to in paragraph 3 for an articulated statement of how the Fund proposes to administer Article VIII. Our immediate objective is to prevent the Fund from taking a decision which compromises the future by actually encouraging countries to look to it for approval of discrimination in circumstances in which approval is unwarranted. We and the Americans have been working on a draft decision given us by Harcourt and have suggested certain modification. We would like you to tell Rowan that we hope that the British will give serious consideration to the changes we have suggested. In essence they are directed towards eliminating the compromising references to possible Fund approval of discrimination under Article VIII and to strengthening the references to the relationship between convertibility and non-discrimination. If the British accept our suggestions on the terms of the decision we very much hope that their statement in the Board will not go beyond them.

7. If the British are unable to accept our suggestions then we think it would be better not to have the Board take any decision at all at this time. Our representatives would have to oppose the draft Harcourt has shown them, and we think it would be unfortunate to have a split with the British on this important issue. But we do not think the Fund should compromise its ability to deal with discrimination in the future for the sake of a short-run advantage, which may in any case be illusory, in dealing with the French.

¹⁷⁵ Voir/See Document 511.

8. We realize that you have not been too close to the technical problems involved in the move from Article VIII to Article XIV but would very much welcome any comments you and Wilgress have to make on the general issues involved.

137.

DEA/6000-H-40

*Le secrétaire d'État aux Affaires extérieures
au haut-commissaire au Royaume-Uni*
*Secretary of State for External Affairs
to High Commissioner in United Kingdom*

TELEGRAM 1170

Ottawa, July 16, 1955

CONFIDENTIAL. MOST IMMEDIATE.

Reference: Our telegram No. 1166 of July 15.

INTERNATIONAL MONETARY FUND — TRANSITION FROM ARTICLE XIV
TO ARTICLE VIII

We understand above matter, including wording of draft decision which may be proposed by United Kingdom and of companion statement by Harcourt, is being referred to U.K. Ministers A.M. Monday July 18. Advice from Washington today is that although United Kingdom officials have accepted a number of the changes we propose in their draft decision they continue to insist on an explicit reference to possible Fund approval of discriminatory restrictions under Article VIII. In the circumstances would appreciate your endeavouring to see Rowan before question is referred to U.K. Ministers on Monday.

138.

DEA/6000-H-40

*Le haut-commissaire au Royaume-Uni
au secrétaire d'État aux Affaires extérieures*
*High Commissioner in United Kingdom
to Secretary of State for External Affairs*

TELEGRAM 1019

London, July 18, 1955

CONFIDENTIAL. IMMEDIATE.

Reference: Your telegrams Nos. 1166 of July 15 and 1170 of July 16.

INTERNATIONAL MONETARY FUND — TRANSITION FROM ARTICLE XIV
TO ARTICLE VIII

In view of unresolved differences between their approach and that of the United States and Canada, the United Kingdom have concluded that it would be unwise to press at this time for the adoption of the proposed decision. They are so advising Harcourt in Washington today. Rowan, whom I saw last night and who has just informed me of the conclusion

their Ministers have come to, said that he hoped that the whole question might be re-examined between principals at the Istanbul meeting.¹⁷⁶

[N.A.] ROBERTSON

139.

DEA/6000-H-40

*Extrait du Rapport de la Dixième réunion annuelle
du Conseil des gouverneurs du Fonds monétaire internationale
et de la Banque internationale pour le reconstruction
et le développement*

*Extract from Report on Tenth Annual Meeting
of the Board of Governors of the International Monetary Fund
and the International Bank for Reconstruction and Development*

CONFIDENTIAL

[Ottawa, n.d.]

The Tenth Annual Meeting of the International Monetary Fund and the International Bank for Reconstruction and Development was held in Istanbul, Turkey, from September 12 to September 16, 1955. The Hon. W.E. Harris, the Canadian Governor of the Fund and of the Bank, and Mr. J.E. Coyne, Alternate Governor of the Fund, were unable to attend and the Canadian delegation consisted of Mr. Louis Rasminsky, Acting Alternate Governor of the Fund, Mr. A.F.W. Plumptre, Alternate Governor of the Bank, Mr. J.H. Warren, Alternate Executive Director for Canada of the Fund and of the Bank, Mr. Ross Campbell, Canadian Embassy, Turkey, and Mr. D.J.R. Humphreys, Bank of Canada.

The business to be transacted by the Governors of the Fund and the Bank at their Annual Meetings is usually of a formal nature. The debates on the two Annual Reports provide an opportunity for Governors to make general statements about the operations and policies of the two institutions and about the international economic position, but this year little advantage was taken of this opportunity. The debate on the Fund Report produced little that was controversial. In the debate on the Bank's Annual Report there was the usual pressure from the underdeveloped countries for more liberal, more flexible, and less expensive Bank lending, but the tone was, on the whole, quite restrained.

The highlights of the debates are summarized in the following paragraphs; notes are also included on the disposition of routine agenda items.

General Debate on the Fund's Annual Report

(a) The movement towards freer payments and convertibility

In his opening address Mr. Rooth, the Managing Director, reviewed the extent to which postwar economic recovery had been completed and progress had been made in reducing restrictions and discrimination in the payments fields. While recognizing that U.S. aid and military expenditures were still an important element in the situation, he emphasized that international trade was steadily approaching a more satisfactory pattern and that the conditions necessitating the Fund's postwar transitional arrangements were passing away. In this connection he noted that the payments difficulties still being faced by a number of countries, including those arising from internal inflation, unusual fluctuations in the prices of agricultural products, or uncertainties arising from attempts to dispose of agricultural surpluses in world markets, were ordinary problems of a dynamic world economy and not

¹⁷⁶ Le 20 juillet, le Conseil du FMI a décidé de reporter l'examen des articles VIII et XIV.

On July 20, the IMF Board decided to postpone further consideration of Articles VIII and XIV.

transitional problems arising from wartime dislocations. Rooth urged the adoption of fiscal and monetary policies designed to avoid inflation as an indispensable element in a strong balance of payments and welcomed the adoption by many countries of a flexible monetary policy. In an oblique reference to the position of the United Kingdom and certain other countries he added that in some situations stronger fiscal measures would also be required. As regards convertibility the Managing Director noted that economic conditions, financial policy and international cooperation were moving the world steadily forward to a multilateral system of payments based on the convertibility of currencies and that while some governments were still preparing to make their currencies convertible, international markets were already giving a practical recognition to their de factor convertibility.

It was noticeable that while many of the subsequent speakers referred to the general improvement in international payments and to the desirability of further progress being made towards the multilateral objective, there was little or no sense of urgency in what was said. It seemed to be generally agreed that this time the convertibility of currencies was really coming, even though it might not be imminent. In the meantime the Governors seemed fairly content with the status quo and to allow the key countries, notably the United Kingdom, to make their own decisions regarding timing, without outside pressure. Significantly, the European Governors, many of whom had been pressing in earlier meetings for more rapid progress and for a clear definition of the Fund's attitude towards restrictions and discrimination in circumstances of convertibility, were silent in this year's debate, (perhaps because they preferred to discuss their problems and make some of their arrangements within the narrower European regional framework). Even the German Governor was silent, although in the debate on the Bank's Report Dr. Erhard did take issue with those who argued that the present boom conditions are not suitable for the transition to convertibility. Only the Chancellor of the Exchequer referred extensively to problems surrounding the introduction of convertibility and his statement was mainly directed to the more immediate position of sterling. Randolph Burgess, who spoke for the United States, was highly circumspect in his remarks about the relationship between the improved international payments situation and the further dismantling of restrictions and discrimination. Referring to the outflow of gold from his country and the consequent redistribution of international reserves, Mr. Burgess said "these gains and reserves will not serve their purpose if they do not lead the accumulating countries to expand their trade by reducing restrictions, particularly discriminatory restrictions".

Mr. Butler, in one of the few substantial contributions to the debate, outlined the measures being taken in the credit field to contain inflation in the United Kingdom. He said that if necessary other steps would be taken to bring the situation under control and that in this connection the whole field of public expenditure was being examined. The Chancellor emphasized that physical controls would not be resorted to and that there would be no retreat from the United Kingdom's policy of widening trade and freeing payments. On the other hand, he said that the present was a period for consolidation and strengthening of the home front before further forward movements could be made in the field of trade and exchange. Referring to the oft-stated preconditions for successful convertibility, Mr. Butler mentioned the shortcomings of United States policies as measured by what might be expected of a good creditor. Nevertheless, he said he recognized that the perfect moment never comes and assured his fellow Governors that in deciding when to go forward he would not forget Churchill's comment that "... while the historian may easily mark what would have been the best possible moment for any great undertaking, the good moment must content the administrator".

One of the major purposes of Mr. Butler's speech was to quash rumors which had been circulating about a possible devaluation of sterling or widening of the spreads within which sterling is traded, and so to bring to an end the heavy bear speculation then current against the pound. He emphasized that it was, and would continue to be, United Kingdom policy to maintain the exchange parity of \$2.80 to the pound either in existing circumstances or when sterling is convertible. He said "my Government has taken no decision on the timing of the convertibility of sterling nor on the nature of the exchange arrangements after that date ... discussions and rumors about impending changes of the parity of, or margins for sterling, are unrealistic and irrelevant".

A number of spokesmen from the underdeveloped countries noted that their countries had not fully shared the improvement in world economic conditions and called attention to the special problems associated with their development and the marketing of their exports of agricultural commodities. Sir Arthur Fadden, the Australian Minister of Finance, noted that the treatment of manufactured goods had to a considerable extent become regulated by agreed international rules but that primary producing countries remained largely defenceless against the heavy price fluctuations to which their exports were subject. He criticized the subsidies, quota restrictions, and bilateral trade deals indulged in by many industrial countries in the primary product field. Sir Arthur did not repeat the criticism he has made on other occasions of United States policies giving rise to surplus accumulation of farm products and problems of disposal, but contented himself with the remark that the situation was now worse than last year, despite the efforts made to cope with it by the United States Administration. He picked as the special target for his speech this year the excessive agricultural protection of European countries.

(b) *The ending of the postwar transitional period — Article VIII and Article XIV*

The Executive Board of the Fund has for some time been discussing the possible termination of Article XIV after the introduction of more general convertibility, and the relative merits of a universal as opposed to a country by country movement from Article XIV to Article VIII. A considerable divergence of opinion had emerged in this debate between the United States and Canada on the one hand and the United Kingdom and the European countries on the other, about the administration of Article VIII with respect to the approval of discriminatory restrictions. Very little was heard of these questions from the main trading countries in the debate on the Annual Report at the Governors meeting. It was felt by them unwise to pursue the discussion in Istanbul in view of the deadlock which has arisen, and unnecessary to do so since formal convertibility of sterling and other currencies was not imminent. The Chancellor of the Exchequer referring to these matters said it would be a mistake to under-estimate the intricacy of the problem or to try to reach rushed decisions. Mr. Burgess said it would be premature to anticipate the outcome of the Executive Board's examination but added "each passing year makes it more essential to arrive at a procedure to bring to an end the so-called postwar transitional period."

The tacit understanding of the major countries not for the time being to fish in the troubled waters of Article VIII and Article XIV did not extend to a number of the underdeveloped countries. The Governors for India, Pakistan, Egypt, Thailand, and Ceylon took the occasion to argue that even after the industrial countries had made their currencies convertible, exchange restrictions would in many cases continue to be necessary for their countries in order to insure that available foreign exchange resources were safeguarded for development purposes. The Governor for Thailand pointed out that in a country such as his own credit restrictions could not really be effective, fiscal measures took time to take effect, and restrictions on trade and exchange were therefore necessary to safeguard the payments position. A number of the spokesmen of the underdeveloped countries drew

attention to the fact that the special position of their countries had been recognized in the review of GATT. The implication of their remarks was that so far as the right to impose or maintain exchange restrictions was concerned, the Fund should also be prepared to recognize their position either by allowing them to continue under Article XIV or through the flexible administration of Article VIII.

CHAPITRE II/CHAPTER II
ORGANISATION DU TRAITÉ DE L'ATLANTIQUE NORD
NORTH ATLANTIC TREATY ORGANIZATION

PREMIÈRE PARTIE/PART 1
REVUE ANNUELLE ET L'AIDE MUTUELLE
ANNUAL REVIEW AND MUTUAL AID

SECTION A
POLITIQUE GÉNÉRALE
GENERAL POLICY

140.

DEA/50030-L-40

*Note du chef de la Direction économique
pour le sous-secrétaire d'État aux Affaires extérieures*

*Memorandum from Head, Economic Division,
to Under-Secretary of State for External Affairs*

SECRET

[Ottawa], January 11, 1955

In connection with the Minister's remarks this morning regarding the status of the mutual aid item in the estimates of the Department of National Defence, I have now spoken with Mr. Elgin Armstrong, the Assistant Deputy Minister in charge of finance in D.N.D.

2. Mr. Armstrong confirms that the allowance for mutual aid in the present Defence estimates is some \$100 million below the figure for last year. He also confirms that this figure has been agreed between Mr. Campney and Mr. Harris and that the estimates containing this figure are on the verge of, or in the process of, being printed.

3. According to Mr. Armstrong, D.N.D. has prepared a paper on the Mutual Aid Programme for consideration by the next Cabinet Defence Committee and he expects that copies of this paper will be available later today or tomorrow morning. He realizes that it is a little anomalous to have this matter discussed in the Cabinet Defence Committee at the same time as a more or less final figure is apparently being included in the printed estimates. He assumes that Cabinet Defence Committee will, however, be more concerned about the composition of the programme than about the total.

4. I told Mr. Armstrong that our Minister was disturbed that agreement had evidently been reached regarding the size of the programme without inter-departmental consultation — or at least without consultation involving this Department. He recognized that this was regrettable but observed that the figure for the programme became almost inevitable when a ceiling was set for total defence expenditures. He did not suggest that informal conversations which had taken place previously with officers of this Department constituted "consultation". He remarked that formal consultation, particularly at the ministerial level, had been made a little difficult by the fact that the Ministers concerned had not been in Ottawa at the same time very frequently. The proposed Cabinet Defence Committee meeting was being arranged at about the earliest date feasible.

5. In the circumstances, you may wish to suggest to Mr. Drury, or Mr. Taylor in Finance, that the final printing of the part of the estimates containing this figure should at least be deferred until after the Cabinet Defence Committee meets.

6. In connection with any conversation which you may have with the Minister on this situation you may wish to have in mind the two memoranda flagged on the attached file.

7. The first of these is dated October 25 and contains information given to me by Mr. Armstrong at that time about the current thinking in National Defence.¹ It will be noted from paragraph 5 of that memorandum that I had warned Mr. Armstrong that "no doubt anything which Mr. Pearson might have said regarding a possible reduction in mutual aid was related to the likelihood of increase in certain other expenditures of interest to this Department such as our contribution under the Colombo Plan". The second memorandum, dated December 8, passed on to the Minister certain information which had been given to us informally at a meeting of the Sub-Panel (when, incidentally, we had made it quite clear that we did not regard this informal notice as constituting "consultation" and had added that we believed Mr. Pearson had told Mr. Harris only a few days before of his dissatisfaction with a reduction of anything like \$100 million in the Mutual Aid Programme).² In that memorandum we explained some of the difficulties standing in the way of a substantial increase in the programme and indicated the possibility that the programme might be reduced still further if the F-86's were to be withdrawn. We concluded that "since the programme will need to be settled shortly, (the Minister) may wish to discuss it with Mr. Harris and Mr. Campney before the NATO Delegation leaves for Paris; and with Mr. Howe after arrival in Paris".

A.E. RITCHIE

P.S. The Department of National Defence estimates including the figure for mutual aid have been approved by the Treasury Board as a whole as well as by Mr. Campney and Mr. Harris.

141.

DEA/50030-L-40

*Note du sous-secrétaire d'État aux Affaires extérieures
pour le secrétaire d'État aux Affaires extérieures*

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

SECRET

[Ottawa], January 13, 1955

CANADIAN MUTUAL AID PROGRAMME 1955-56

You will, I think, be interested in looking over the attached Memorandum to Cabinet Defence Committee which was sent to us by officials of the Department of National Defence and which, I understand, is to be considered at an early meeting of the Committee.

The Memorandum seeks Cabinet approval of a Mutual Aid Programme for 1955-56 with an expenditure ceiling of \$175 million. It is important to note, however, that of this amount only some \$146 million has actually been programmed. Expenditure for mutual aid purposes of the remaining \$28 million is by no means certain. If the Canadian Services find, during the current fiscal year, that they are able to transfer additional equipment on

¹ Voir/See Volume 20, Document 257.

² Voir/See Volume 20, Document 268.

hand within this ceiling, they receive cash for service activities. This is the way this part of the programme has been administered in the past. However, under the proposal which will be before Cabinet Defence Committee, the Services will obtain the additional \$28 million for additional Service expenditures whether or not they make available additional equipment for the Mutual Aid Programme. Thus from the Service standpoint, it might be better *not* to transfer as mutual aid any additional equipment.

Incidentally, it might be noted that the programme proposed for 1955-56 is inflated in still another way. This year's programme includes the \$25 million representing the whole of our contribution for infrastructure and military budgets. In previous years, these expenditures have been met from the Mutual Aid Programme only to the extent that our assessment for these purposes was over the Canadian share on a capacity-to-pay basis.

You may be interested in the following comparison of the Programme approved last year and the Programme proposed for the fiscal year 1955-56:

<u>Item</u>	<u>1954-1955</u> <u>Expenditure</u>	<u>1955-1956</u> <u>Expenditure</u>
Direct Production Items	\$ 35,000,000	\$ 18,116,000
Contributions to NATO Budgets and Infrastructure	19,000,000	25,000,000
NATO Aircrew Training	59,000,000	53,700,000
Equipment from Stock	35,000,000	9,000,000
Equipment produced since April 1, 1950	<u>132,000,000</u>	<u>69,184,000</u>
TOTAL	<u>\$280,000,000</u>	<u>\$175,000,000</u>

J. L[ÉGER]

[PIÈCE JOINTE/ENCLOSURE]

*Note du ministre de la Défense nationale
pour le Comité du Cabinet sur la défense*

*Memorandum from Minister of National Defence
to Cabinet Defence Committee*

DOCUMENT D-2-55

Ottawa, January 6, 1955

SECRET

CANADIAN MUTUAL AID PROGRAMME — 1955-56

1. The statement on Mutual Aid given by the Canadian Delegation at the recent Ministerial Meeting of the North Atlantic Council is attached as Appendix "A".³

2. The attached detailed programme† for 1955-56 totals \$146,651,219. The sum of \$28,348,781, for which there is no detail, has been added to give a total of \$175,000,000 which has been included in the Estimates for the Department of National Defence. The programming of this additional \$28,348,781 will depend on whether it is possible to release service equipment for Mutual Aid. The amount has been applied against Service cash estimates and it is, therefore, not available for additional direct production for Mutual Aid.

3. The whole of Canada's estimated contribution for Infrastructure, Military Budgets and that portion of NATO Civil budget over the Canadian share on a capacity to pay basis have

³ Pour l'ébauche de cette déclaration, voir volume 20, document 269.

For a draft of this statement, see Volume 20, Document 269.

been included as Mutual Aid. Heretofore only the amount considered to be in excess of a contribution based on capacity to pay has been charged to Mutual Aid, the balance to a separate portion of the National Defence appropriation.

4. The amount estimated for "direct production for Mutual Aid" consists of carry-over on approved items, with the exception of \$3,454,000 provided to maintain minimum production of cannon powder, flashless cordite, composition "B" and rifle powder and \$1,800,000 against a \$3,300,000 programme for spare parts for overhaul of R1340 Wasp aero engines. This will provide spares needed for second and final overhaul period for Wasp engines which have been given by Canada as Mutual Aid and provides further support to this manufacturing facility pending the development of additional commercial business and the R1820 engine programme for the Grumman Naval Aircraft.

5. The new items of equipment acquired since March 31, 1950, planned for transfer by the Services in next year's programme are:

- (a) 80,000 90 mm shells
- (b) 45 Sabre II aircraft and 35 J 47 engines
- (c) 25 T 34 aircraft with one year's spares
- (d) Second year spares for Sabre II aircraft transferred to Greece and Turkey, plus commitment for third year spares.

6. The 90 mm shells will be provided from present orders of the Canadian Army and no replacement is required. The Sabre II aircraft and the J 47 engines will complete the transfer of all Sabre II aircraft and J 47 engines held by the RCAF. Provision has been made to replace these with Sabre V and VI aircraft equipped with Orenda engines. The T 34 aircraft comprise aircraft procured by the RCAF to support the production facilities in Canada for these aircraft and to provide a small number of aircraft to the RCAF for experimental two stage training. It has been decided not to adopt this type of aircraft for RCAF training but to procure Chipmunk, a less expensive and more satisfactory aircraft for this purpose.

7. As there is considerable advantage in obtaining recommendations on allocations of equipment from the Standing Group early in the fiscal year, it is recommended that new offerings of Canadian Mutual Aid should be made at the earliest date possible, and that the programme for 1955-56 be approved on the basis referred to above and detailed in the attached appendices.

[R.O. CAMPNEY]

142.

DEA/50030-L-40

*Le secrétaire d'État aux Affaires extérieures
au ministre de la Défense nationale*

*Secretary of State for External Affairs
to Minister of National Defence*

SECRET

Ottawa, January 18, 1955

My dear Colleague,

CANADIAN MUTUAL AID PROGRAMME — 1955-56

In advance of any discussion in the Cabinet Defence Committee, I feel that I should let you have my reactions to the paper of January 6 which you have circulated on this subject.

I am seriously concerned at several aspects of that paper, and I would hope that you might find yourself able to re-consider it in the light of my observations below.

Before commenting on the substance of the paper, I should say how regrettable I think it is that planning for 1955-56 in respect of a matter which has such an important bearing on our international relations should have reached the stage which it apparently has before the matter had been considered further by all Ministers concerned following on the general discussion in Cabinet Defence Committee on November 12.⁴ You will recall that, in the course of that earlier discussion, the point was made (and was recorded in the minutes) that, in addition to the military and other criteria which you had suggested at that time, there was an added criterion of a political nature governing Canada's Mutual Aid policy. So far as I am aware, this political aspect has not been taken into account in the preparation of the programme which you are now proposing and certainly has not been the subject of any Ministerial discussion in which I have participated. I also understand that, while officials in my Department have been informed occasionally of developments in the thinking of your Department regarding the programme for the coming year, there has been no inter-Departmental consultation at that level, involving External Affairs, about the size or composition of the programme.

Regarding the contents of your paper of January 6, the following are the main points which trouble me and to which I would hope that you might give further thought:

(a) the outside total for next year's programme would appear to me to be lower than might reasonably be expected of us in relation to our programme in the current year and in the light of our own economic capabilities and of the efforts of other countries. A reduction of more than \$100 million would seem to me to be excessive in all the circumstances, which include our inability to increase foreign aid significantly in other directions. It would seem difficult to justify what would in effect amount to a reduction of more than one-third in our total foreign aid effort, especially when even the United States, according to the President's Budget Message of yesterday, will be pretty well maintaining the scale of its military and economic aid programmes.⁵ (In fact, it would appear that the President is asking this year for some \$100 million more than he asked for last year.) I should have thought that it would have been desirable to have examined the total size of our Mutual Aid programme in the context of our foreign assistance effort as a whole. In that event, I would have hoped that we might have agreed that it would have been desirable to have avoided such a large reduction in the total, so long as we were confident that such an amount of money could have been put to good and effective use;

(b) within this total, I am puzzled by the status of the \$28,348,781 which are described as unallocated. While I can see the reasoning behind the inclusion of certain items in next year's programme which previously had been at least partially dealt with outside the Mutual Aid element of your estimates (e.g., infrastructure and NATO military budgets), I should like to see some clarification of the position of this other twenty-eight million dollar item. Unless this can pretty definitely be counted upon for Mutual Aid in the coming fiscal year, why should it be included in any total figure which we may be making public and communicating to our NATO partners? If this item were to be deducted, the total for our programme would be that much smaller, and the misgiving which I have expressed above would become that much more serious;

⁴ Voir/See Volume 20, Document 264.

⁵ Voir/See United States, *Public Papers of the Presidents of the United States: Dwight D. Eisenhower 1955*, Washington, D.C.: Government Printing Office, 1959, Document 17, pp. 86-185.

(c) regarding the composition of the programme proposed in your memorandum, I understand that a considerable number of F-86 Mark V's have been deleted from the earlier draft which your officials had shown to officials in this Department. Although I can appreciate the problems which might have been involved in including these all-Canadian aircraft in the programme (relating, for example, to the possible implication that we might be accepting responsibility for expensive repairs and replacements in future years, and to the needs of our own Reserve Units), I would have thought that it might have been desirable to have had some discussion of this question among the Ministers concerned, especially in view of the effect which the omission of these aircraft might have on the total amount of assistance which we could make available to our NATO allies.

I am well aware of the difficulties which might be encountered in constructing a programme of what we and the other NATO countries would regard as an adequate size. I gather that to provide an increased amount of some items under Mutual Aid, e.g., walkie-talkie radio sets, explosives and ammunition, it would be necessary to utilize our existing production facilities more fully than would be necessary merely to maintain output at an economic level. I also understand that it might be going rather far to maintain in operation production facilities for other items required by the European NATO countries when our own requirements are looked after and those facilities could be closed down or switched to other products. Nevertheless, I think it so important from the point of view of our own interests in maintaining an effective collective defence system to have a Mutual Aid programme of reasonable size and quality that I feel we should have made (and, in fact, should now make) the special effort which can reasonably be required of us. As the debates now proceeding in Europe so clearly demonstrate, the Western defence system on which our security very largely depends is still pretty fragile. It would be most unfortunate if we were to fall down, or appear to be falling down, on our part in this system at a time when we should be helping to build up and maintain confidence among the NATO allies. While I agree that there should be a reduction in our Mutual Aid to which other NATO Governments should not object, I do not feel that the position which we have taken in the various NATO Council discussions foreshadowed a cut as drastic as that now contemplated.

I am sending copies of this letter to our colleagues, Mr. Howe and Mr. Harris.

Yours sincerely,

L.B. PEARSON

143.

PCO

*Extrait du procès-verbal de la réunion
du Comité du Cabinet sur la défense*

Extract from Minutes of Meeting of Cabinet Defence Committee

Present:

The Prime Minister (Mr. St-Laurent), in the Chair,
The Minister of National Defence (Mr. Campney),
The Minister of National Health and Welfare (Mr. Martin),
The Secretary of State for External Affairs (Mr. Pearson),
The Minister of Justice (Mr. Garson),
The Minister of Finance (Mr. Harris).
The Minister of Northern Affairs and National Resources (Mr. Lesage).
(For discussion of Item I)

The Secretary (Mr. Martin),
 The Military Secretary (Commander Solomon).
 The Chairman, Chiefs of Staff (General Foulkes),
 The Chief of the Naval Staff (Vice Admiral Mainguy),
 The Chief of the General Staff (Lieutenant-General Simonds),
 The Chief of the Air Staff (Air Marshal Slemon),
 The Vice-Chairman, Defence Research Board (Mr. Davies).
 The Deputy Minister of National Defence (Mr. Drury),
 The Associate Under-Secretary of State for External Affairs (Mr. MacKay),
 The Assistant Deputy Minister of Finance (Mr. Deutsch),
 The Assistant Deputy Minister of Defence Production (Mr. Hunter).

...

II. CANADIAN MUTUAL AID PROGRAMME, 1955-56

4. *The Minister of National Defence* submitted the Mutual Aid programme for 1955-56 totalling \$175 million. Of this figure there was no detail for an amount of \$28.35 million, the programming of which would depend on whether it was possible to release service equipment. It had been applied against Service cash estimates and was therefore not available for additional direct production. The whole of the estimated contribution for Infrastructure, Military Budgets and that portion of NATO Civil Budget over the Canadian share on a capacity-to-pay basis had been included as Mutual Aid. Heretofore only the amount considered to be in excess of a contribution based on capacity to pay had been charged to Mutual Aid, the balance to a separate portion of the National Defence appropriation. The amount estimated for direct production consisted of carry-over on approved items with certain exceptions. The new items of equipment acquired since March 31, 1950, planned for transfer by the Services, included: 80,000 90 mm shells; 45 Sabre II aircraft and 35 J 47 engines; 25 T 34 aircraft with one year's spares; second year spares for Sabre II aircraft transferred to Greece and Turkey, plus a commitment for third year spares. There was considerable advantage in obtaining recommendations on allocations of equipment from the Standing Group early in the fiscal year, and it was recommended that new offerings should be made at the earliest date possible and that the programme as submitted and detailed in the appendices which were attached be approved.

An explanatory memorandum had been circulated.

(Minister's memorandum, January 6, 1955 — Document D2-55).

5. *The Secretary of State for External Affairs* said that the reduction in the programme to \$175 million was too great and it would be difficult to defend, particularly as the U.S. Administration was recommending an amount for mutual security in the neighbourhood of what that country was spending at the present time. It would also make it more difficult to encourage support for the collective defensive system which had been established. He would have preferred a figure of approximately \$200 million, even if it had been necessary to make reductions in other defence items. As far as detail was concerned, he felt it was not right to consider as part of the programme funds for mutual aid the expenditure of which appeared highly doubtful. Nor should the programme include the full Military Budget and Infrastructure costs of NATO. He expressed some doubt as to whether the United States was following a similar policy in its mutual security planning in regard to this latter point.

6. *In the course of discussion* the following points emerged:

(a) In preparing the programme, account had been taken of U.S. policy to include in their Mutual Security programme the U.S. contributions to the Military Budget and Infrastructure costs of NATO. However, if this were not current U.S. practice, it would be desirable to revert to the procedure followed for the current fiscal year.

(b) No decisions had been taken on how the \$28.35 million would be expended. It could cover 30 Sabre V's which would be available, but if these aircraft were not transferred it might be used for other purposes. It could be used for financing Service programmes if transfers of equipment were made from stocks, but if it were applied to direct production then the Service programmes would be short that much cash. It was difficult to regard this figure as something available for the Services, although it was a cash requirement.

(c) There had been indications in the United States some months ago that their mutual security programme would be reduced quite substantially. More recently the President had recommended otherwise, although what would ultimately be granted would depend on the action of the U.S. Congress. One of the problems in arriving at a figure of suitable size for mutual aid was found in the fact that if a decision was taken to provide assistance in certain new lines, this meant a continuing programme lasting three or four years and it seemed to be the view at the moment that mutual aid should decrease. Indeed, the hope was expressed that in two or three years' time our mutual aid contribution might consist of not much more than NATO aircrew training.

7. *The Committee*, after further discussion, agreed to recommend for 1955-56, as submitted, a Mutual Aid programme totalling \$175 million, subject to confirmation that the U.S. contributions to the Military Budget of NATO and to Infrastructure were charged to mutual security in the United States.⁶

...

144.

DEA/50107-E-40

*Note du sous-secrétaire d'État aux Affaires extérieures
pour le secrétaire d'État aux Affaires extérieures*

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

TOP SECRET

Ottawa, June 29, 1955

NATO ANNUAL REVIEW, 1955

I attach for your consideration a memorandum prepared for inclusion in the Canadian reply to the Annual Review Questionnaire for 1955. In accordance with the directive issued by the NATO Secretariat, this memorandum is divided four parts. Part I is intended to contain a general statement on defence policy describing the main political, economic and military assumptions on which current plans are based, with particular reference to any important changes, either financial or military, since the last Annual Review. Part II contains sections on each of the Services intended to provide a full picture of each part of the military programme. Part III is supposed to be concerned with economic and financial questions, but since these questions are dealt with either in Part I of the memorandum or in the OEEC submissions, it was not thought necessary to include further material here. Part

⁶ Il a été constaté que les contributions des États-Unis aux budgets de l'OTAN pour les affaires militaires et l'infrastructure figuraient sous le poste « Sécurité mutuelle » du budget américain, et la décision du Comité du Cabinet sur la défense a été confirmée par le Cabinet plénier le 26 janvier 1955.

It was determined that U.S. contributions to NATO's military and infrastructure budgets were charged to Mutual Security and the Cabinet Defence Committee's decision was confirmed by the full Cabinet on January 26, 1955.

IV contains a brief statement on the assumptions made for meeting annual recurring costs and for the long-term maintenance of forces.

2. This memorandum was prepared by National Defence, in consultation with Finance and this Department, and has now been approved by the Panel on the Economic Aspects of Defence Questions, on the understanding that each member of the Panel would obtain the necessary Ministerial clearance individually.

3. I should therefore be grateful if you would indicate whether you have any objection to the release of this memorandum to the NATO Secretariat in Paris. It is planned to put the memorandum, if it is acceptable, into the bag for the NATO Delegation in Paris on Thursday noon. This will mean that it will be only a few days later than the July 1 deadline.

J. L[ÉGER]

[PIÈCE JOINTE/ENCLOSURE]

Note

Memorandum

TOP SECRET

Ottawa, June 28, 1955

MEMORANDUM TO ACCOMPANY THE CANADIAN REPLY TO ARQ(55)

PART I — GENERAL STATEMENT

Canada's defence programme continues to be planned for the immediate defence of Canada and North America, in cooperation with the United States, for the building up of a collective force capable of deterring aggression, in cooperation with other members of NATO, and for the implementation of whatever other obligations for collective security Canada may assume as a member of the United Nations. For the period under review it is assumed that there will be no substantial increase in international tension, that the Canadian economy will continue to be capable of supporting a defence effort of the present order of magnitude, and that the chief means of deterring aggression against the NATO area will continue to be the maintenance of the Allied capacity to retaliate instantly with nuclear weapons.

2. In approving M.C. 48 as a basis for defence planning and preparations by the NATO military authorities, Canada has recognized that adjustments in defence programmes will undoubtedly become necessary in order to maintain a suitable balance between conventional forces and weapons and those for nuclear warfare, and to meet the increasing threat to the Allied retaliatory capacity.⁷ The implications of M.C. 48 for Canadian defence planning will not become clear until the studies, both by the NATO authorities and by the Canadian authorities, are much further advanced. However, it is already evident that the defence of the retaliatory capacity of the Strategic Air Force⁸ will require Canada to undertake much more extensive measures for early warning and interception in North America, involving a larger proportion of our defence facilities than heretofore for this purpose.⁹

⁷ Voir volume 20, le chapitre 3, 5^e partie./See Volume 20, Chapter 3, Section 5.

⁸ Note marginale :/Marginal note:
U[nited] S[tates] [L.B. Pearson]

⁹ Note marginale :/Marginal note:
A matter of primary importance to NATO [L.B. Pearson]

3. The Canadian Government anticipates that the funds available for defence in 1956-57 will be of the same order of magnitude as in the current year.¹⁰

4. It follows from paragraphs 2 and 3 above that any over-all increase in commitments to the Supreme Commanders cannot be contemplated. However, force goals for previous years are being continued and recommendations for increases in particular commitments will be considered insofar as they can be matched by decreases.

5. In fact, SACEUR's recommendations in the previous Annual Review related to the effectiveness of forces which, it is considered, can be considerably improved without any great increases in expenditure.

6. As noted in SACEUR's Effectiveness Report with respect to the Canadian Air Force, the low effectiveness rating of No. 1 Air Division at that time was primarily due to the conversion programme to a later mark of Sabre. The Division's effectiveness will show considerable improvement in future, though it may vary from time to time as further conversion is effected.

7. With regard to the logistic recommendations, Canada is hesitant to make any serious changes in logistic arrangements until studies now being undertaken by SACEUR are completed and there is a firmer indication of ultimate requirements.

PART II — SERVICE SECTIONS

ARMY

8. The main features of the Canadian Army Programme for 1955 are essentially the same as those outlined during the various processes of previous Annual Reviews. The main components of the Canadian contribution of ground forces to the Integrated Force in Europe comprise one infantry brigade group assigned to SACEUR in peacetime which is to be raised to a full infantry division by M-day plus movement time. Canadian Army plans cater for the maintenance of its brigade group in Germany in accordance with the principles set forth in SHAPE/450/54. The division, less the brigade group in Germany, held in Canada as an M-Day force will be built up to about the same level of effectiveness as the M-Day forces in Europe.

9. Most of the Canadian Army forces which were assigned to the United Nations Command in 1951 for operations in Korea have now returned to Canada and provide the initial battle replacements for the Canadian Army contribution to SACEUR.

10. In addition to the above forces assigned to or earmarked for SACEUR, the Canadian Army contributes three infantry parachute battalions towards the defence of the Canadian-United States Region together with their support units. These forces are maintained at M-Day readiness.

11. The Canadian Army holds, or has made provision for, the 90-day war reserves for the brigade group in Germany, and for the 60-day war reserves for the balance of 1st Canadian Infantry Division. Canada now plans to store on the Continent the 90-day war reserves for the brigade group in Germany in accordance with arrangements to be made with the United Kingdom authorities with whose forces the Canadian Army forces will be associated. The Canadian Army hopes to complete the storage programme in the Gondola base for the first 30-day war reserves for the brigade group in Germany by the end of 1955. The remainder of the storage programme for the brigade group will take some time to complete.

¹⁰ Note marginale :/Marginal note:
? [L.B. Pearson]

12. As shown in the 1954 Country Report on Canada, the Canadian Army plan provided for the storage in the United Kingdom of certain heavy equipment and war reserves for 1st Canadian Infantry Division.¹¹ Because of new factors a re-assessment as to the location of the storage point for the heavy equipment and the war reserves for the balance of the division is being made. These new factors include the thermo-nuclear threat generally, particularly against the United Kingdom, the channel and continental ports; the risk of cross-channel movement in wartime; and the development of the German Federal Republic's contribution to SACEUR's forces. This re-assessment will also have to take account of the limitation on the quantities of stocks which can be held in the Canadian intermediate depot in Antwerp. This limitation also affects the planned storage programme for the brigade group in Germany.

13. The Canadian Army is holding divisional training exercises during the summer of 1955. The troops engaged in these exercises will be supported by aircraft of the Royal Canadian Navy and the Royal Canadian Air Force.

14. The training of Canadian regular troops in Canada is being adapted to modern war conditions. When the Agreement for Cooperation Regarding Atomic Information comes into effect, the training of personnel in the employment of and defence against atomic weapons will be made more realistic.¹² Canadian participation in the spring series of atomic tests conducted in the United States has been most beneficial.

15. With regard to progress made towards actions indicated in M.C. 48, the Canadian Army gives first priority to the requirements of 1st Canadian Infantry Division, including the brigade group in Germany. The Canadian Army is carrying out a comprehensive long range study of the organization of field formations to meet the conditions of future warfare. This study takes SACEUR's Capabilities Plan, 1957, into account, and SACEUR has been informed of its object and scope.

16. In the course of the 1953 Annual Review processes, the Council was informed of steps being taken to improve the effectiveness of the Canadian Army reserve forces. A re-organization of the Canadian Army (Militia) is being directed towards increasing its efficiency by establishing a balance among the various arms and services suited to the conditions of modern war, while at the same time adjusting the number and location of units in accordance with population distribution. This re-organization is almost complete.

NAVY

17. The present Canadian Naval Programme calls for a Navy of 20,000 officers and men. It is anticipated that this figure will be reached during 1955 and will continue at the same level during the period 1955-58.

18. As the initial training effort, consequent upon expansion, nears completion a greater number of ships will be put into active commission. While this increase will not affect the numbers available from D-Day onwards, it will mean improved standards of operational training and may to some degree improve the time phasing of post D-Day commitments.

Personnel

19. While the overall numbers of naval personnel are reaching the programmed figure, further training in certain technical categories is still required. Recruiting is generally now

¹¹ Voir/See volume 20, Document 266.

¹² Voir le chapitre 4, 4^e partie, section B.

See Chapter 4, Part 4, Section B.

limited to the numbers necessary to replace men retiring, or failing to re-engage on completion of their engagement period.

20. The strength of the RCN(R) is maintained at approximately 7,000 officers and men who attend drills in the Naval Divisions and undergo summer training in the Great Lakes Training Centre or on the coasts in the Fleet.

Training

21. Improvement in the availability of live submarine services for air and surface force training has been achieved. The formation of the 6th Submarine Squadron in Halifax, N.S., on March 15, 1955, has enabled the RCN, by arrangement with the Admiralty, to have three submarines available in operational service while a fourth refits. At present no improvement in submarine facilities is envisaged for the use of RCN West Coast ships, which will continue with existing loan arrangements on a quarterly basis with the USN.

22. Increasing numbers of ships in active commission will permit adequate RCN participation in NATO exercises as appropriate.

23. While shore training facilities are generally adequate, improvements are being undertaken or considered by means of new construction as follows:

- (a) Navigation Direction School.
- (b) Maritime Warfare School.
- (c) Anti-Aircraft Firing Range.
- (d) Technical Apprentices Training School.

For naval gunfire support training, RCN ships on the West Coast have been using USN facilities at Pearl Harbour, and arrangements are being made for East Coast ships to use USN facilities at Chesapeake Bay.

Logistic Support

24. Studies are continuing insofar as the support overseas for RCN ships earmarked for assignment to NATO is concerned.

Communication Equipment

25. Active investigation is presently being conducted to ascertain the most suitable type of ECM (Electronic Counter-Measures) jamming equipment to meet the requirement. Developments of this type of equipment, being carried out by other NATO countries, are being closely followed.

26. Fitting of infra-red equipment in forces earmarked for assignment to NATO is partially completed. Plans are being progressed to complete fitting in ocean escorts and above.

Maritime Aircraft (Provided and Operated by RCAF)

27. Maritime Air Units will undergo two conversion programmes during the period covered by this reply. The first conversion (of a portion of the force from Lancaster to Neptune aircraft) is an interim measure designed to meet the Canadian commitment pending receipt from production of the new CL-28 (modified Britannia-type) maritime aircraft. Conversion to this latter type will start in 1958.

AIR FORCE

General Description of Air Programme

28. Canada has accepted the recommendation made in C-M(54)100 that four all-weather squadrons be substituted for four interceptor day fighter squadrons in No. 1 Air Division. The unit establishment for an AWX squadron is 18 aircraft compared to a unit establish-

ment for an IDF squadron of 25 aircraft. Consequently, the force goals for air units to be contributed by Canada are revised as follows:

As of Dec 31	IDF		Sqn	AWX		Sqn	Total	
	Sqn	Aircraft		Aircraft	Aircraft		Aircraft	
1955	12	300	0	0	12	300		
1956	11	275	1	18	12	293		
1957	8	200	4	72	12	272		
1958	8	200	4	72	12	272		

29. The recommendation that Canada phase forward the radar plan for the Air Division is being implemented. See paragraphs 31-35 below.

30. The RCAF agrees in principle that there is a requirement for an Air Sub-Supply Depot on the Continent, and for the establishment in peacetime of a nucleus Construction and Maintenance Unit, a Repair and Salvage Unit and a Mobile Equipment Repair Unit. A decision as to the size and location of these organizations cannot be made until certain SHAPE studies are completed and the results known. These are the studies on Air Defence and on measures to be taken to enable the air forces to survive atomic attack, with special reference to SHAPE policy for dispersal.

Aircraft Control and Warning Organization

31. With respect to primary facilities, a high track handling CRC (Control and Reporting Centre) is programmed for Mercy-les-Metz during 1955. This CRC will be capable of providing all facilities called for by SHAPE standards, working to the performance specified.

32. With respect to back-up reserve facilities, part of the equipment of the CRC will be capable of deployment and operations as a fully self-contained mobile CRP (Control and Reporting Post). Under normal circumstances, this unit will remain integrated into the static CRC facility. When deployed as a CRP or in the role of gap filler, it will have limited control capability and a performance slightly below that specified in SHAPE standards for a CRP.

33. Because of the apparent impracticability of designing, building and fitting out an operations room capable of fully exploiting the radar capabilities of the primary facilities coincident with availability of equipment, the programme is divided into two phases. Phase I will provide, by July 1, 1955, a six position control capability in a temporary operations building. All equipment programmed is expected to be in place by that date. *Phase II* calls for the construction of an RAF R3-type underground building during the period 1955-56 and the installation of full control facilities including indicators, video display, video mapping, communications controls, display equipment, etc.

34. Technical personnel for these facilities are under training in the UK and in the USA. Operational personnel are undergoing training in the UK. It is expected that 85% of the establishment will be available in the Air Division by July 1, 1955.

35. Ninety days' operating spares are being provided with all major equipment. The matter of depot spares is still under consideration between the RCAF and USAF for American supplied equipment and between RCAF and RAF for British supplied equipment. Third and fourth line maintenance is another matter under discussion between the above services. For Canadian supplied equipment, it is expected that third and fourth line maintenance will be carried out by contract.

Personnel Problems

36. The significant information on personnel has already been provided.

Training

37. Weapons training for the Canadian squadrons in Europe has been obtained at the French installation at Rabat through bilateral arrangement with the French Government which arrangement is to terminate at end 1955. Since the earliest date that any of the proposed new NATO air weapons training installations are expected to be ready is end 1956, negotiations are continuing with the French to permit RCAF use of French gunnery training installations through 1956.

Logistic Support

38. A logistic Agreement with the USAF was concluded in May 1953 for the provision to No. 1 Air Division on repayment of specific types of rations, petroleum oils and lubricants, ammunition, gun camera film and medical services including aero-medical evacuation, during peacetime only. This agreement was revised in December 1954 to include:

- (a) Current peacetime requirements,
- (b) 90-day stock level for war reserve, where applicable,
- (c) Storage on prepayment as required for the 90-day war reserve in excess of that which is now provided by infrastructure programmes, and
- (d) continued wartime support. Aero-medical evacuation in wartime will depend on the availability of transport after the needs of the USAF have been met.

39. Provision has been made in the Agreement with the USAF for a 90-day stock level for war reserve to support a force of 300 Sabres without reserve aircraft, i.e., a "diminishing force." The "diminishing force" concept allows for an attrition-rate of 30% per month and an addition-rate from new production of 20 aircraft per month from D plus 30 to D plus 89, which would leave a force-in-being of 137 aircraft at D plus 89.

40. The 90-day stock level for war reserve as well as peacetime requirements will vary as the aircraft complement or armament changes.

Aircraft Serviceability

41. As aircraft technicians are receiving more rounded training in Canada and are becoming more proficient in maintenance and servicing in Europe, the serviceability rate has been improved during the year and will continue to improve commensurate with the learning curve.

Equipment and Ammunition

42. As stated in paragraph 38 above, an agreement has been concluded with the USAF to provide current peacetime requirements, 90-day stock level for war reserve and continued wartime support for specific types of rations, petroleum oils and lubricants, ammunition and gun camera film.

43. The USAF has also agreed to provide storage facilities for that part of the 90-day war reserve in excess of that already provided by infrastructure programmes. Stocks will be placed in storage by the USAF when construction is completed. The estimated date of completion is March 31, 1956.

Spare Parts

44. Spare parts for No. 1 Air Division are provided from 30 Air Material Base, Langar. RCAF peacetime stocks are sufficient to meet a 90-day war reserve. Reference should also be made to Table 3, Planned Status of 30 Air Materiel Base, Langar, and the note accompanying that table.

Other Subjects

45. There are, at present, no plans to provide in peacetime a wartime reserve of aircraft to support No. 1 Air Division.

46. It is anticipated that the Sabre VI will continue in service through the period covered by this reply. Canada is developing a new all-weather fighter to replace the CF-100 and, as was the case with the latter, the new aircraft is designed primarily to meet conditions prevailing in North American.

PETROLEUM PRODUCTS

47. Bilateral arrangements have been made with the UK and US authorities for the supply of POL to the Canadian Army Forces in Europe and to No. 1 Air Division respectively. The requirements for these forces on the continent are therefore included in the requirements of the UK and US forces.

48. Discussions are underway with a view to arranging for the provision of Canadian naval POL requirements in Europe. No problem is foreseen in providing total POL requirements in Canadian ports.

PART III — ECONOMIC AND FINANCIAL QUESTIONS

49. The relevant information is contained either in Part I of this memorandum or in the OEEC submissions.

PART IV — ANNUAL RECURRING COSTS

50. The financial provision for the Canadian defence programme in 1955-56 is consistent with the financial policy of previous fiscal years' programmes in that full provision is made for the estimated annual recurring costs of the forces in being during the 1955-56 fiscal period. This includes increased provision for military personnel costs in keeping with the numerical increases in the military forces scheduled to occur in 1955-56, provision for purchases of consumable materials and supplies necessary to meet current requirements and maintain stocks at desired levels. Provision has been made for replacement of equipment to cover attrition and to replace equipment with improved types as described in the statement on equipment programmes.

51. Intensive studies are being undertaken with respect to the long-term problems raised by the introduction of new weapons. Certain steps have been taken, as referred to in Part I of this memorandum, to provide additional early warning systems for the defence of the North American continent and to develop a supersonic all-weather aircraft to replace the CF-100. Canada has not, however, progressed far enough in its studies to determine the long-term financial impact on the Canadian defence programme.

145.

DEA/50107-E-40

*Le secrétaire d'État aux Affaires extérieures
au représentant permanent auprès du Conseil de l'Atlantique Nord*

*Secretary of State for External Affairs
to Permanent Representative to North Atlantic Council*

TELEGRAM 756

Ottawa, July 6, 1955

CONFIDENTIAL. IMPORTANT.

Reference: Our telegram No. 732 of June 30.†

NATO ANNUAL REVIEW — 1955

The Canadian memorandum has now been approved by Ministers and may be released to the NATO Secretariat with the following changes:

(a) The last three lines of para. 1 should be revised to read: "... and that, until there is a genuine détente between East and West, the chief means of deterring aggression against the NATO area, etc."

(b) The last sentence of para. 2 should be revised to read: "However, it is already evident that the defence of the retaliatory capacity of the United States Strategic Air Force, which is a matter of primary importance to all NATO countries, will require Canada to undertake much more extensive measures, etc."

2. We assume that you will prepare a new stencil for the revised first page of the memorandum and submit it as soon as possible. This, with the tables† we have already sent you, completes the Canadian reply to ARQ(55). Ends.

146.

DEA/50030-L-40

*Note du sous-secrétaire d'État aux Affaires extérieures
pour le secrétaire d'État aux Affaires extérieures*

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

SECRET

[Ottawa], August 24, 1955

CANADIAN MUTUAL AID PROGRAMME 1956-57

At a recent meeting of the Sub-Panel on the Economic Aspects of Defence, the Assistant Deputy Minister of National Defence outlined the preliminary thinking in his Department regarding the likely size of our mutual aid programme next year. He said that in line with Mr. Campney's statement in the House on July 14, his Department had engaged in planning on the assumption that the mutual aid programme would be lower next year.¹³ Accordingly, a preliminary review of next year's programme revealed that NATO air crew training expenditures would be slightly lower and expenditures on direct production items would be sharply reduced. Moreover, unless a decision is taken to transfer to NATO countries certain "surplus" F-86 aircraft powered by the Orenda engines, transfers of new pattern equipment would also be sharply reduced and the main component of the programme would be World War II type equipment. In total, as the following table reveals, the programme for next year might be reduced from the present year's figure of \$175 million to between \$125 million and \$160 million, with the \$160 million figure being reached only if a decision was made to transfer some \$35 million worth of F-86 aircraft (either with or without any responsibility for providing as mutual aid subsequently the rather costly engines and other equipment which might be needed for the operation and maintenance of this aircraft over any considerable period of time).

¹³ Voir Canada, Chambre des Communes, *Débats*, 1955, volume VI, pp. 6396-6397.
See Canada, House of Commons, *Debates*, 1955, Volume VI, pp. 6114-6115.

Category	Canadian Mutual Aid in Millions of Canadian Dollars	
	1955-56	1956-57
Direct Production	17.3	5. - 6.
NATO Aircrew Training	50.	48.
Infrastructure and budgets	15.	Unknown
Transfers of World War II Type Equipment	40.3	64.
Transfers of New Pattern Equipment	52.2	7.2 (or 42. if F-86 aircraft included)
	175.	125.-160.

In revealing the present state of mutual aid planning for next year, the Assistant Deputy Minister of National Defence indicated that he would appreciate receiving the comments of this Department. In the present circumstances, there would appear to be some wisdom in reducing somewhat the amount of Canadian mutual aid to NATO countries and, considered in terms of likely U.S. reductions in military aid to NATO, a figure of somewhere between \$125 million and \$160 million will likely appear respectable, especially if we provide substantial (and preferably increased) amounts of foreign aid in other forms, such as our contribution under the Colombo Plan.¹⁴ The difficulty is however that, in the past few years, it has not been possible to relate increases on foreign aid to decreases in mutual aid.

I should be grateful if you would let me know whether you agree with these views.

J. L[ÉGER]

147.

DEA/50030-L-40

*Note du secrétaire d'État aux Affaires extérieures
pour le premier ministre*

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

CONFIDENTIAL

[Ottawa], September 8, 1955

HUNTER-SABRE AIRCRAFT EXCHANGE

I understand that when you discussed the above subject with Mr. Macdonnell, Deputy Under-Secretary of State for External Affairs, on August 15, you mentioned that you would like to have some indication as to the disposition of the Canadian equipments which are being turned over to the United States by the United Kingdom. I now attach a copy of message No. 1505 of September 1 from our Embassy in Washington, which contains the information which you have requested.

You will recall that when this matter was discussed by Cabinet Defence Committee on June 24, 1954,¹⁵ it was then expected that the United States would make the F86 aircraft available to Italy and Yugoslavia. The United States Air Force had encouraged the Hunter-Sabre exchange on the grounds that it would permit the grouping of Hunters in Northwestern Europe, i.e. the United Kingdom, the Netherlands and Belgium, with the United King-

¹⁴ Note marginale :/Marginal note:

I agree *but* on condition we increase our foreign aid in other fields. This now appears probable. L.B. P[earson]

¹⁵ Voir/See Volume 20, Document 246.

dom being in a position to maintain them, and the F86's in Southern Europe, i.e. Italy, Greece, Turkey and Yugoslavia.

L.B. PEARSON

[PIÈCE JOINTE/ENCLOSURE]

*L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures*

*Ambassador in United States
to Secretary of State for External Affairs*

TELEGRAM 1505

Washington, September 1, 1955

CONFIDENTIAL

Reference: Your EX-1434 of August 16, 1955.†

HUNTER SABRE AIRCRAFT EXCHANGE

We are informed by the USAF Directorate, which handles mutual aid, through CJS, that the United States intend to distribute the Canadian built Sabre aircraft involved in the Hunter-Sabre exchange, equally between Italy and Yugoslavia. This information was obtained informally, as a routine matter.

2. The United Kingdom received 370 aircraft directly from Canada and 60 Canadian aircraft purchased by the United States. It is estimated that by the time of handover, attrition will have reduced the figure of 430 to somewhere in the neighbourhood of 360 to 370 aircraft. It is expected, therefore, that Italy and Yugoslavia will receive approximately 180 to 185 aircraft each. It is not possible at this stage to identify how many of these aircraft will come from the original Canadian contribution. This information is not for public use.

148.

PCO

*Note du ministre de la Défense nationale
pour le Comité du Cabinet sur la défense*
*Memorandum from Minister of National Defence
to Cabinet Defence Committee*

DOCUMENT NO. D-20-55

[Ottawa], September 21, 1955

SECRET

CANADIAN MUTUAL AID PROGRAMME
1955-56

REVISED ESTIMATE OF EXPENDITURE

1. Cabinet Defence Committee approval was given on January 24, 1955 to an appropriation of \$175 million for the 1955-56 Canadian Mutual Aid Programme and this amount was included in 1955-56 Estimates. An amount of \$28,348,781 was not supported by detailed programming and was included against the possibility of releasing additional service equipment for mutual aid. For financial planning it was assumed the unallocated amount would be available to meet service expenditures either by reason of credits result-

ing from transfer of equipment acquired after March 31, 1950 or if such equipment was not available for mutual aid by transfer of the funds from mutual aid to the service allotment.

2. A review has been completed by each of the services to determine any additional equipment that could be made available from their holdings for mutual aid without necessitating new commitments for replacement purposes. The release of certain additional equipment acquired since March 31, 1950, has been found possible. In addition, the cost of spares support for F86 aircraft has increased over the earlier estimate. A supplementary list of Army equipment acquired prior to March 31, 1950, and available for release in 1955-56 and 1956-57 valued at \$45,210,472 and \$22,326,709 respectively, has been prepared. (Schedules "C" and "D" attached†).

3. The amount of equipment which can be transferred in the 1955-56 Mutual Aid Programme will be limited by the maximum funds available for mutual aid and the ability to finance transfers that result in credits to the Replacement Account and at the same time finance the service expenditures. At the present time it appears that the limiting factor will be the maximum amount allocated to mutual aid.

4. A review has been made of the original programme, taking into account the additional offerings, actual expenditures, changes in production forecasts, equipment availabilities, etc., and the original programme has been revised as follows including the addition of \$25,307,310 in respect of the additional offerings of Army equipment:

<u>Category</u>	<u>Original</u>	<u>Revised</u>
Direct Production		
Production Items	\$ 18,116,000	\$ 17,200,000
Cryptomaterial	-	116,000
NATO Aircrew Training	53,700,000	50,140,000
Contributions to NATO		
Budgets	2,500,000	2,500,000
Infrastructure	22,500,000	12,500,000
Transfers of Equipment		
(a) acquired prior to March 30/50 (Schedule "A" attached)		
Air Force)		2,861,000
Navy)	9,000,000	635,000
Army original)	11,511,000	
Army supplementary offer (Schedule "C" attached)		25,307,310
(b) acquired after March 31/50 (Schedule "B" attached)		
Air Force	31,871,250	41,680,690
Navy		2,708,969
Army	6,255,000	9,292,000
Unallocated	28,348,781	-
	<u>\$ 175,000,000</u>	<u>\$ 175,000,000</u>

5. The equipment listed in Appendices "C" and "D" has been referred to the Standing Group for recommendations as to allocations in accordance with the policy of transferring Army equipment of this type to NATO countries when the Canadian Army is able to release it. Subject to the needs of the Canadian Army as much of this equipment will be transferred in 1955-56 as can be financed within the 1955-56 Estimates.

[R.O. CAMPNEY]

149.

DEA/50030-L-40

*Note du chef de la 1^{ère} Direction de liaison avec la Défense
pour la Direction européenne*

*Memorandum from Head, Defence Liaison (1) Division,
to European Division*

SECRET

[Ottawa], November 4, 1955

MUTUAL AID

At his Joint Staff briefing this morning General Foulkes referred to the consideration now being given by the Chiefs of Staff Committee, in preparation for a Cabinet Defence Committee meeting probably next week, to the problems of continental air defence over the next few years and their implications for the Canadian Defence programme.¹⁶ General Foulkes said that he was examining where cuts could be made to permit increased expenditures on air defence without raising the ceiling on overall defence expenditures, and that the Mutual Aid programme seemed to be a logical candidate for reduction. The aircrew training programme in particular should be "chopped in half" and a special study on this was being carried out.

2. Any sizeable reduction in our Mutual Aid programme could have major repercussions on our relations with our NATO allies, and in my view should only be effected after careful consideration, in which this department had a full share. I suggest, therefore, that it would be desirable for the interested divisions to have in mind the likelihood that it may be necessary to brief the Minister on this subject in the near future.

3. In this connection it should be noted that the NATO Country Chapter on Canada, which we have just received, highlights the fact that our NATO aircrew training programme is supposed to continue at about its present level at least until the end of 1957. It also points out that Canadian Mutual Aid equipment programmes have already declined very considerably.

4. The first draft of the General Chapter of the 1955 Annual Review emphasizes the great dependence of European countries upon external aid and says that those countries whose military equipment has been built up almost entirely from Mutual Aid will face virtually insuperable problems if this aid is cut off. It states that the United States and Canada have re-affirmed their intentions to continue to support their allies with military assistance but does add that, "both countries expect that such assistance will be progressively reduced and in some fields eliminated".

G. IGNATIEFF

¹⁶ Voir/See Document 321.

150.

DEA/50107-E-40

*La délégation auprès du Conseil de l'Atlantique Nord
au secrétaire d'État aux Affaires extérieures*

*Delegation to North Atlantic Council
to Secretary of State for External Affairs*

TELEGRAM 1244

Paris, November 2, 1955

TOP SECRET. IMPORTANT.

Reference: Our immediately preceding telegram.†

NATO ANNUAL REVIEW 1955 — GENERAL CHAPTER

Our general comments on the draft General Chapter, developments in the Annual Review process so far, and statement made at the recent meeting of Defence Ministers are as follows:

2. As reported in our telegram No. 1182 of October 12,¹⁷ the general assessment by NATO military commanders indicates that the force levels now anticipated are not only below the levels on which NATO military authorities have based their forward planning strategy, but are assessed by the military generally at around 50 percent effectiveness. On the other hand, developments thus far in the 1955 Annual Review indicate firstly that European governments are not prepared in many cases to bring their force goals up to the levels which they agreed in the 1953 Annual Review, nor secondly are they prepared to vote sufficient funds to support adequately and maintain the forces so far developed. Relevant to this whole situation is, of course, the request made at the Defence Ministers conference that serious consideration be given to a revision of force goals (see Document C-M(55)90 of October 19). Furthermore, there has been no change in the policy announced by the United States two years ago, and since then consistently adhered to, that Mutual Aid, initiated for the build-up period, would gradually taper off. There accordingly exists a major anomaly. It appears evident that, if the present circumstances prevail, present NATO planning will never be achieved and, as indicated by General Gruenther, it may become necessary for the NATO military authorities to reconsider the present forward strategy. You may accordingly wish to consider, in conjunction with the United States authorities, the position which we should adopt in the light of the general circumstances above described. You will note that the tenor of the General Chapter is to suggest that the "gap" will not be filled unless extensive North American aid continues. We assume that the "new look" carries with it very broad considerations of a military character which will significantly influence both Canadian and United States policies in respect of our contribution to the defence of continental Europe. For this reason, we feel that it would be highly desirable, if not imperative, that Canadian and United States policies in this connection are carefully coordinated and that on the basis of this re-appraisal an approach be formulated to the various proposals such as those already indicated in the recommendations under the General Chapter.

3. The following is a list with some comments of the various proposals which will be coming forward for consideration, as reflected in the recommendations under the General Chapter and elsewhere:

¹⁷ Non retrouvé./Not located.

(a) You will note that the wording of paragraph 25(a)(i) in the draft General Chapter denotes that the establishment of an effective early warning service and coordinated Air Defence system in Europe is the responsibility of all NATO partners. This concept was stressed forcibly by SACEUR during the recent briefing of Defence Ministers. The possibility of including certain aspects of this requirement in common infrastructure was mentioned by the Standing Group in its comments to the Ministers of Defence. We understand, however, that this requirement is not included in the future three-year programme of £365 million proposed by the Standing Group.

(b) We do not yet know what the implications of paragraph 25(b) are. It may be directed towards the continuation of bilateral arrangements between the United States and European member countries. You will, however, note that the wording does not conform to our existing policy of offering aid through the Standing Group. We believe that the United States may have under review the whole question of the general advisability of continuing aid on a bilateral basis. The outcome of their review may considerably influence their future position on common financing of projects such as early warning, air defence and infrastructure.

(c) It would appear to us that paragraph 25(d) is a device prepared by the International Staff to offset announced reductions in United States and Canadian aid by getting those two countries to participate directly in an expanded base of common financing. As you already know, considerable pressure has developed to include mobile equipment within the definition of infrastructure. Furthermore, NATO military authorities have proposed that mobile equipment of logistic character on airfields be commonly financed. We suspect that this recommendation would propose to further broaden the base for common financing in the logistic field. We feel that our future approach to questions of a future infrastructure programme, the cost sharing arrangements, if any, for it or for an expanded base such as that proposed by the International Staff, should be derived from basic policy considerations, such as those referred to in paragraph 2 above. Apart from the financial implications which would be involved in Canadian participation in such a scheme, as an alternative to end-item deliveries from Canada, it is obvious that it would preclude the utilization of the Mutual Aid Programme as a means of maintaining our own defence production base.

(d) We expect to receive later today the short Canadian Country Chapter together with the recommendations of the International Staff. We will telegraph it to you upon receipt and you will no doubt wish to examine it closely in relation to the General Chapter. Final consideration by the Annual Review Committee of Country Chapters is scheduled for Wednesday, November 9.

151.

DEA/50107-E-40

*La délégation auprès du Conseil de l'Atlantique Nord
au secrétaire d'État aux Affaires extérieures*

*Delegation to North Atlantic Council
to Secretary of State for External Affairs*

TELEGRAM 1246

Paris, November 2, 1955

SECRET. IMPORTANT.

Reference: Our telegram No. 1244 of November 2.

NATO ANNUAL REVIEW 1955 — GENERAL CHAPTER

The text of the Country Chapter on Canada, which only contains three paragraphs under the heading "major defence problems", is as follows: Quote:

1. Canada is meeting the firm force goals for 1955 in all services. In general order of magnitude, Canadian defence plans will also provide forces to meet by the end of 1956 the goals on which MC.48 was based. The forces assigned to NATO are at a full state of combat readiness.

2. The NATO military authorities have, in general, endorsed Canada's present military plans, but have made certain detailed recommendations regarding modifications and improvement which are shown in the annex to the Country Study. In particular, Canada is recommended to ensure the availability of one effective light aircraft carrier during the transition from *Magnificent* to *Bonaventure*. The Canadian authorities have stated that though they are not prepared to keep two carriers in commission simultaneously, they will do everything possible to end the transition time.

3. The Canadian Government expect that their contribution to the defence of the North American continent, which will consist primarily in the provision, together with the United States, of an early warning system and a related interception force, will make increasing demands on resources. The implementation of this commitment is not expected to affect the achievement of the force goals shown in the present Canadian submission, and the NATO aircrew training programme will also continue, at about its present level, at least until the end of 1957. However, Canadian Mutual Aid equipment programmes have already declined very considerably; the value of deliveries planned for the current year is less than half what was attained in each of the two previous years. Unquote.

2. Conclusions and recommendations to Country Chapters, which will remain the responsibility of the International Staff, will not be issued until Monday, November 7, after all countries have been examined and the major issues in each country's defence effort reviewed by the International Staff. We will telegraph the recommendations made to Canada upon receipt. Although it is still the intention to finalize examination of Country Chapters in the Annual Review Committee on November 9, it seems unlikely that this timetable can be adhered to in view of the delay in the issuance of recommendations. In the meantime, we should be grateful to receive as a matter of urgency any comments which you wish to make on the body of the Country Chapter on Canada as quoted above. While the remark in the third paragraph regarding the reduction in end-item aid is true in terms of our submission [see Table 15 in Annex II to AR(55) Canada (Study)D/1], we do not believe that it is necessarily in accordance with the actual position at the present time in view of supplementary equipment offerings. However, you told us in your telegram No. 912 of August 24 that we should not attempt to alter any of the information given in our reply to ARQ(55).

152.

DEA/50107-E-40

*La délégation auprès du Conseil de l'Atlantique Nord
au secrétaire d'État aux Affaires extérieures*

*Delegation to North Atlantic Council
to Secretary of State for External Affairs*

TELEGRAM 1259

Paris, November 5, 1955

TOP SECRET. IMPORTANT.

Reference: Our telegram No. 1246, dated November 2, 1955.

NATO ANNUAL REVIEW 1955 — CANADIAN COUNTRY CHAPTER

We have just received the text of the conclusions and recommendations of the International Staff which will be included in the Canadian Country Chapter. The text is as follows: Text begins:

"Canada

"II. Conclusions and Recommendations of the International Staff

4. The International Staff note that since funds available for defence in 1956/57 are expected to remain of the same order of magnitude as in the current fiscal year, the additional needs of North American defence under present plans will probably be met at the further expense of Mutual Aid equipment programmes. The International Staff attach great importance to Canada's force contribution to NATO, including her contribution to North American defence. They consider, however, that the Mutual Aid Programme also continues to be of the utmost importance to NATO as a whole, since there are serious deficiencies in the provision of modern equipment, especially high performance combat aircraft, for the forces of several countries. They further consider that Canada's resources are such that it should be possible to maintain her Mutual Aid contribution, even though the commitment for North American defence is expected to increase.

5. The International Staff therefore recommended that:

The Canadian Government should consider increasing the delivery of modern equipment under Mutual Aid, especially high performance aircraft." Text ends.

153.

PCO

*Extrait du procès-verbal de la réunion du Comité
sur les aspects économiques des questions de la défense*

*Extract from Minutes of Meeting of Panel
on Economic Aspects of Defence Questions*

TOP SECRET

[Ottawa], November 15, 1955

Present:

Mr. R.B. Bryce, Secretary to the Cabinet (Chairman)
 Mr. K.W. Taylor, Deputy Minister of Finance
 Mr. F.R. Miller, Deputy Minister of National Defence
 Mr. D.A. Golden, Deputy Minister of Defence Production
 General Charles Foulkes, Chairman, Chiefs of Staff
 Mr. J.J. Deutsch, Assistant Deputy Minister of Finance
 Mr. A.F.W. Plumptre, Assistant Deputy Minister of Finance
 Mr. G.W. Hunter, Assistant Deputy Minister of Defence Production
 Mr. L. Rasminsky, Deputy Governor of the Bank of Canada
 Dr. O.M. Solandt, Chairman, Defence Research Board
 Mr. G. Ignatieff, Department of External Affairs
 Mr. A.E. Ritchie, Department of External Affairs

Also Present:

Mr. G.K. Grande, Department of External Affairs
 Mr. L.D. Hudon, Department of Finance
 Mr. R.G. MacNeill, Department of Finance
 Mr. F.A. Milligan, Department of Defence Production
 Mr. W.R. Martin, Privy Council Office (Secretary)
 Mr. D.B. Dewar, Privy Council Office (Assistant Secretary).

I. NATO ANNUAL REVIEW 1955; COUNTRY CHAPTER ON CANADA

1. *Mr. Ignatieff* said that the Delegation had been instructed to reserve Canada's position on the International Staff recommendation in paragraph 5 of the Canadian Country Chapter on the grounds that it was unrealistic to expect an increase in the amount of Mutual Aid. This reservation had been made known in the Annual Review Committee and would appear in the records of that Committee, but the Delegation had not asked that the reservation be written into the text of the Annual Review Report. The Delegation required instructions on whether to take further action.

(Documents ED4-55¹⁸ and ED5-55,¹⁹ Country Chapter on Canada, had been circulated).

2. *Mr. Plumptre* noted that the recommendation was made on the responsibility of the International Staff, and that other Delegations were relying on the proceedings of the Annual Review Committee to record their protests against similar recommendations made to them. It did not seem necessary, therefore, to ask that Canada's reservation be written into the text of the Annual Review Report.

3. *General Foulkes* said that the substance of the recommendation was bound to be raised by some countries at the meeting of Ministers in December, regardless of what action Canada took to protest against it at this time.

¹⁸ Voir/See Document 151.

¹⁹ Voir/See Document 152.

4. *Mr. Golden* remarked that from the point of view of the International Staff it was a sensible recommendation, and that we should not therefore protest against it too strongly.

5. *Mr. Ignatieff* suggested that the recommendation, might lead to discussion in the Permanent Council, in which case *Mr. Wilgress* should perhaps explain why the reservation had been made by referring to Canada's increasing obligations for North American defence.

6. *The Panel* agreed:

(a) that the Delegation need not ask that their reservation on the recommendation of the International Staff in the Canadian Country Chapter be written into the Annual Review Report; and

(b) that the Permanent Representative might explain in the Permanent Council why the reservation had been made, by referring to the increasing obligations of Canada for North American defence, but that he need do so only if discussion on the recommendation arose in the Council.

II. NATO ANNUAL REVIEW, 1955; DRAFT GENERAL CHAPTER

7. *Mr. Ignatieff* said that Canada was now on record as reserving its position on the text and the recommendations of the General Chapter. The Delegation needed instructions on whether to continue this reservation and on what action to take if some countries tried to have the Council endorse the recommendations for the purpose of increasing their "impact" upon Ministers at the December meeting.

8. The Delegation also needed guidance on what position to take regarding a United States proposal, supported by the United Kingdom, that the Ministerial Council should invite governments to consider whether a basic NATO-wide reassessment of the NATO defence effort was required to permit a better achievement of the strategic objectives of M.C.48 within available resources, and, if so, how such a reassessment should be carried out. Allied to the United States proposal was the question of priorities, raised at the meeting of Defence Ministers in October, which involved finding a way of reconciling the views of governments that defence expenditures could not be increased significantly with the argument of the military advisers that certain new projects were essential, particularly for the air defence of Europe.

(Document ED3-55,† Draft General Chapter, and Documents ED6-55† and ED7-55† concerning the Defence Ministers' meeting had been circulated; Telegram No. 1293 of November 11† from NATO Delegation, Paris, concerning the General Chapter had also been circulated by External Affairs).

9. *Mr. Plumptre* said that the General Chapter was a good factual statement of the present situation of NATO, and he thought we should withdraw our reservation on it. As for the recommendations, they represented the considered views of the International Staff, and deserved to go forward to the Council and to Ministers for consideration. The Delegation should, however, oppose any move to get Council endorsement for the recommendations, on the grounds that there has not yet been time for the approval of Ministers to be obtained. In addition, any procedure whereby the Council would try to increase the "impact" of the recommendations on ministers was objectionable.

Mr. Plumptre said that he thought it would be better to have the recommendations in the General Chapter go forth through the Council for the consideration of Ministers than to adopt the United States proposal, which he interpreted as being an alternative course. He noted that the first recommendation in the General Chapter invited the *Council* (that is, Ministers in December) to consider what adjustments should be made to the defence effort

of the alliance; the third paragraph of the United States proposal, on the other hand, called for consideration by *governments* on whether a reassessment was required. Mr. Plumtre felt that the recommendation of the International Staff would allow serious reconsideration to take place in December, whereas the United States proposal, if accepted, might have the result of delaying a serious NATO-wide approach.

10. In the course of further discussion, *the Panel* noted some of the problems that should be considered in the reassessment that seemed to be required. *Dr. Solandt* remarked that one serious difficulty arose in connection with the air defence headquarters at The Hague, which had been set up with United States help, but which was in difficulties because the United States was not coming forth with men and technical information for its support. The Dutch argued that they were willing to do more for their air defence but that the United States was not giving them enough advice on the sort of weapons to employ. As a result, the Netherlands and other countries were having to work out slowly and expensively a programme for themselves. European industries were capable of producing guided missiles if governments knew what specifications to give them.

11. *General Foulkes* said that the conventional forces European countries had planned for, required virtually all their financial capabilities to maintain. Now that countries were faced with the need for new and different types of defence, they were eager to find out what conventional forces they could sacrifice to acquire the new types. The Standing Group, which in fact reflected the views of the United States, United Kingdom and French Governments, seemed incapable of advocating negative priorities. *Mr. Miller* remarked that the Standing Group could not give priorities which would influence conflicts of interest between services controlled by their own governments. The lack of a real international military staff made a reassessment of the sort contemplated very important.

12. *The Panel*, after further discussion, agreed:

(a) that the Delegation should be instructed to withdraw the reservation of Canada on the text and recommendations of the General Chapter, but to oppose any move to have the Council endorse the recommendations;

(b) that the Delegation should be instructed to oppose the proposal of the United States that the Ministerial Council should invite governments to consider whether a basic NATO-wide reassessment of the NATO defence effort was required;

(c) that, in anticipation of Ministers considering the questions of reassessment and priorities in December, it would be useful for the international staff or the Annual Review Committee to prepare a working paper setting forth the general problem and making alternative procedural suggestions; and

(d) that it would not, however, be desirable for a NATO working group to be set up now for the purpose of studying solutions to the priorities problem.²⁰

...

²⁰ Sur la question des priorités de défense de l'OTAN, voir les documents 231-234. Pour la déclaration de Campney aux ministres de l'OTAN concernant l'Examen annuel, voir le document 238.

On the question of NATO defence priorities, see Documents 231-234. For Campney's statement to NATO Ministers on the Annual Review, see Document 238.

154.

PCO

*Note du Comité sur les aspects économiques
des questions de la défense
pour le Cabinet*

*Memorandum from Panel on Economic Aspects of Defence Questions
to Cabinet*

CABINET DOCUMENT NO. 238-55

[Ottawa], November 25, 1955

TOP SECRET

MUTUAL AID

1. At the 1954 Annual Review and during examination of Canada's submission for the 1955 Annual Review, it was explained that, because of increasing North American commitments, it was to be expected that Canadian Mutual Aid would reduce but that Canada would, in any case, continue to meet its present undertakings, including aircrew training and spares support for Canadian produced equipment.

2. Based on this position, the content of the Canadian Mutual Aid Programme for the current year and planning for 1956/57 has been governed by the following considerations, which, with the exception of infrastructure and the provision of spares support in accordance with Canada's announced policy, do not involve the undertaking of new commitments solely for the purpose of Mutual Aid:

- (a) Canada's undertaking to provide aircrew training to 1958;
- (b) Canada's undertaking to contribute to infrastructure programmes and to the military budgets of NATO;
- (c) Canada's announced policy of providing spares support from Canadian production in respect of certain equipment transferred as mutual aid;
- (d) Continuing transfer of World War II equipment as it can be released on deliveries of new equipment;
- (e) Transfer of equipment acquired since March 31/50 that becomes available from Service stocks, subject to the condition that its transfer as mutual aid does not in itself result in the necessity to enter into additional commitments to procure alternative equipment;
- (f) Production as a direct charge on the mutual aid account where continuing production of a Canadian defence facility is regarded as in the Canadian interests, and there is a deficiency of the end product for NATO as a whole.

3. European members of NATO are, in some cases, finding it difficult to meet operating costs of their Forces within present budgetary levels, and generally are faced with the need for re-equipment programmes, particularly in the aircraft and guided missile fields, over the next five years, and the installation of a radar control and warning system for both defensive and offensive weapons. These projects cannot be done within some of the present national defence budgets.

4. The International Staff have recommended that Canada consider increasing delivery of modern equipment under Mutual Aid. Special reference is made to the need for high performance aircraft. They have also suggested, for general consideration, the multi-national financing of operational needs of European forces.

5. With respect to multi-national financing of equipment needs, while it would be a method of assisting in the financing of European defence and supporting European produc-

tion capacity, it would result in Canada losing control of both the content and allocation of its Mutual Aid Programme. Moreover, it is questionable that a workable system could be devised and, at best, it would almost certainly be cumbersome, inefficient, and have serious shortcomings in directing external assistance into the most urgently needed European military requirements.

6. There is ample evidence to support the need for continued military aid to the European members of NATO and it would appear to be of considerable importance, particularly at the present time when there may be an impression that it is the intention of Canada that the Mutual Aid Programme will bear the whole weight of any reductions necessary on account of increased costs of North American defence, to provide some assurance to European nations that the magnitude of their defence problem is recognized and that the need for continuing mutual aid will be given every consideration in the re-appraisal of the direction of Canadian defence expenditures that is presently under-way.

7. Accordingly, the Panel recommend:

(a) that Canada indicate, at the Annual Review Ministerial meeting in December, that she recognizes the important of Mutual Aid in the re-appraisal of the direction of its defence expenditures that is now under-way, and that while Mutual Aid will be at a reduced level, it fully expects it to continue at a substantial level with increasing emphasis on content, which, while fitting in to the Canadian defence and production pattern, will be of important assistance to the urgent needs in Europe;

(b) that the considerations listed in paragraph 2 continue to be applied in determining the content of the Mutual Aid Programme, with the removal of the restriction on new commitments and with emphasis on directing the content as far as possible to the support of the most urgent European defence requirements; for example, Canada will explore the reference by the International Staff to the need for high performance aircraft and will give careful consideration to the possibility of providing assistance of this type;

(c) that Canada should make a more critical appraisal, than has been the practice in the past, of the use of its Mutual Aid, both in assuring itself that the content meets essential needs and that the allocations are in accordance with those needs. In applying this, the Panel do not suggest abandoning the system that has been used heretofore of seeking the advice of the Standing Group or the International Staff on these matters, but rather to take more active participation in having Canadian views taken into account by these bodies in formulating their recommendations;

(d) that in the run-down of the programme of transferring stocks of World War II equipment, which should largely be completed in the next fiscal year, in addition to the content being examined critically, the valuation placed on the equipment be related to the actual cost to Canada of making this equipment available as Mutual Aid. This will reduce the dollar value placed on the programme of 1956/57;

(e) that Canada should pursue the efforts commenced in 1954 towards a greater interchange of information with United States with respect to Mutual Air Programmes, and to correlate the efforts where it may be desirable and possible without sacrificing Canadian control and direction of its own programme.

155.

PCO

Extrait des conclusions du Cabinet
Extract from Cabinet Conclusions

TOP SECRET

[Ottawa], December 7, 1955

...

NATO COUNCIL OF MINISTERS; POLICY ON MUTUAL AID, COMMON
INFRASTRUCTURE AND PRIORITIES WITHIN NATO

28. *The Secretary* submitted recommendations of the Panel on Economic Aspects of Defence Questions concerning the attitude which Ministers might wish to take, at the forthcoming NATO Ministerial Council meeting, on mutual aid on common infrastructure and on priorities within NATO.

In outline, the panel felt that mutual aid should be continued but that a more critical appraisal should be made of the types of items, their needs and their destinations. As regards infrastructure, it was recommended that the government agree, in principle, to another programme. One of the main matters to be discussed in Paris would be the problem of reconciling military requirements with the economic and budgetary positions of the individual partners in the alliance. The panel felt that Ministers might acknowledge the need for a general re-assessment of the NATO defence programme with a view to determining how best the common defence might be achieved.

Explanatory memoranda had been circulated.

(Memoranda, Panel on Economic Aspects of Defence Questions, Nov. 25, Nov. 29, Dec. 5, 1955 — Cab. Docs. 236,²¹ 237,²² 238-55).

29. *During the course of discussion* the following points emerged:

(a) In the past Canada had tended to rely too much on the recommendations of the standing group about the allocation of mutual aid items. In future, it would be useful to take a more active part in discussions on this matter in an effort to provide countries with the type of equipment for which there was a real need.

(b) It was quite likely that Canada and the United States would be asked not only to continue to provide mutual aid, but to make larger contributions to infrastructure. To meet such a request would be impossible. It was pointed out in reply that in the past, Canada had been prepared to assume as her proper share only a certain percentage of the infrastructure programme and that above this any share which it was felt Canada could bear, had been charged to mutual aid. Now that Germany was in NATO, she should pay her proper share of the costs of infrastructure, and this should reduce Canada's share proportionately.

(c) The air training programme was serving a useful purpose for many countries, but it was not sensible for Canada to train airmen from countries where there were already adequate facilities. If the U.K. and France looked after their own air training mutual aid costs could be reduced.

(d) At first, mutual aid amounted to \$300 million. For the current fiscal year it was \$175 million and for the next year would be approximately \$143 million. Earlier figures had been inflated by the high values placed on second hand equipment transferred abroad. The new programme should be more realistic in this respect.

²¹ Voir/See Document 234.

²² Voir/See Document 157.

(e) While it would be difficult, Canada had to convince its NATO partners that the defence of North America with its air bases was just as important as the defence of the Rhine. Canadian efforts in the north were in the interests of the alliance as a whole, but they would of necessity limit the contributions Canada could make to Europe.

(f) The re-appraisal of the NATO defence policy was not of as much concern to Canada and to the U.S. as to the other NATO nations. However, it was important that it be carried out so that all the allies would have some compelling direction to undertake the most essential projects and justification for reducing or eliminating less essential programmes which had strong domestic support.

(g) Canada had one-third of a division stationed in Europe, and was committed to complete the division by D-Day plus shipping time. An impression existed in some quarters that Canada was committed to sending a second division to Europe after hostilities broke out. This matter had to be cleared up satisfactorily. In any event, the nature of war nowadays was such that it would not be possible to complete the one division by D-Day plus shipping time let alone send another one abroad subsequently.

(h) Now that the Korean commitment had been all but extinguished, there was one brigade which was surplus to immediate defence requirements. Housing these troops in permanent quarters would be expensive and add materially to defence expenditures. Perhaps the best course would be to disband it and absorb the personnel in other units. Meanwhile, the Chief of the General Staff had been asked for a report on the problem.

(i) An important item to be considered at the council meeting was the future of Germany, particularly the question of unification. Canadian policy and, indeed, the policies of other NATO nations, were based on the assumption that the Federal German Republic would stand firm in the face of Russian overtures, remain in NATO and rearm. An effort should be made in Paris to get an assurance from West German representatives that they were satisfied with the existing situation. It was possible that there would be a suggestion to postpone rearmament for 6 or 12 months to see if free elections for all Germany could be held within that period. Such a proposal might effectively call the Russians' bluff and should, perhaps, be accepted. There was no doubt what would happen now if elections were truly free.

30. *The Cabinet* noted the reports of the Panel on Economic Aspects of Defence Questions about matters to be considered at the forthcoming NATO Ministerial Council meeting, and approved the recommendations which were submitted regarding future policy on mutual aid and common infrastructure and with respect to the attitude to be adopted on the establishment of priorities within NATO through a general re-assessment of the NATO defence programme.

...

SECTION B
INFRASTRUCTURE

156.

PCO

*Note du secrétaire d'État aux Affaires extérieures
pour le Cabinet*
*Memorandum from Secretary of State for External Affairs
to Cabinet*

CABINET DOCUMENT NO. 166-55

[Ottawa], August 5, 1955

SECRET

CANADIAN CONTRIBUTION TO THE COST OF NATO CIVIL
AND MILITARY AGENCIES

In 1952, following the admission of Greece and Turkey to the North Atlantic Treaty Organization, it was agreed that the peacetime costs of all NATO civil and military agencies should be shared in accordance with the following formulae:

<u>Country</u>	<u>Current Operating Costs</u>	<u>Capital Costs</u>
Belgium	4.00%	2.68%
Canada	10.00	6.70
Denmark	2.25	1.51
France	22.50	10.73
Greece	0.50	0.33
Iceland	0.05	0.03
Italy	7.65	5.36
Luxembourg	0.13	0.08
Netherlands	3.50	2.18
Norway	1.30	0.84
Portugal	1.00	0.64
Turkey	2.12	1.42
United Kingdom	22.50	22.50
United States	22.50	45.00

2. On May 8, 1952 the Cabinet agreed that Canada should contribute to the costs of the NATO civil and military agencies for the year 1952 in accordance with the above formulae and on October 15, 1952 and July 6, 1953 Cabinet agreed that, for the years 1953 and 1954 respectively, Canada should continue to contribute to the current and capital costs of NATO civil and military agencies in accordance with the formulae agreed to in 1952. These formulae have been used to determine cost-sharing to date.

3. This cost-sharing agreement has been considered unsatisfactory by Canada but it has been agreed to by Cabinet on the conditions that Canada's acceptance was without prejudice to a review of the agreement in the future, and that the Canadian share beyond a percentage representative of current capacity to pay would be paid from the Mutual Aid appropriation without a resultant increase in that appropriation. Under the formula for current costs, Canada's share has been almost half that of the United States'. This lack of balance was offset to some extent by the high United States contribution, relative to Canada's contribution, under the cost-sharing formula for capital expenditures. However, capital expenditures have been decreasing in the last few years.

4. This year, with Germany's admission into NATO, it has been necessary to reach agreement on a new formula. At the outset of these discussions on a new single formula for operational and capital costs, the United States Delegation proposed a formula under which the United States contribution would be 22.5 per cent with a Canadian contribution of 7.75 per cent. The United States Delegation, in support of this proposal, stressed that no one member should pay a preponderant share of the regular running expenses of the NATO headquarters. The U.S. Delegation also took the position that their new percentage contribution must be lower than their contribution to the total 1955 operational and capital budgets under the old formulae (i.e., 25.89 per cent).

5. The Canadian Delegation was instructed to attempt to achieve a cost-sharing formula whereby the total North American contribution would be divided between the United States and Canada on a 5/6-1/6 basis and the balance divided among the European members. However, the European members were not willing to join with the Canadian Delegation in insisting upon a higher percentage contribution for the United States and, while in general sympathy with our position, believed that a contribution from Canada of 4.50 per cent (i.e., one-fifth of 22.50 per cent) would result in too wide a disparity between the Canadian contribution and that of European members. As a compromise, the United States agreed to accept a contribution of 24.2 per cent and submitted a final proposal which envisaged a Canadian contribution of 5.8 per cent. This proposal, which was found to be generally acceptable in the North Atlantic Council, is as follows:

<u>Country</u>	<u>Contribution</u>
Belgium	2.86%
Canada	5.80
Denmark	1.65
France	17.10
Germany	16.10
Greece	0.39
Iceland	0.05
Italy	5.96
Luxembourg	0.09
Netherlands	2.85
Norway	1.15
Portuga	10.65
Turkey	1.65
United Kingdom	19.50
United States	24.20

6. While, under the new single formula given above, the relationship between the Canadian and the United States contributions is not quite as favourable as it had been hoped to obtain, it is a definite improvement over the relationship under the present operational cost formula. The relationship of our contribution to the contributions of all other countries under the proposed new formula is quite satisfactory. Further, the Canadian contribution under the revised formula (5.8 per cent of the total or 6.9 per cent of the total excluding the German contribution) will be substantially lower than our average contribution to the total of operational and capital costs during the years 1951 to 1955 (8.32 per cent) or than our contribution in the year 1955 (9.50 per cent).

7. During the discussions on the cost-sharing formula, the United States offered, in order to gain support for its main proposal, to have the construction costs of the new NATO headquarters shared in accordance with the previous formula for capital costs, with Germany contributing on the basis of the same relative relationship to France as that established under the new formula. On this basis, the Canadian contribution to the costs of construction of the new headquarters building is 6.08 per cent compared to 6.70 per cent

under the old cost-sharing formula for capital expenditures. On September 22, 1954 Cabinet agreed that Canada share with other NATO countries the cost of constructing the proposed new NATO permanent headquarters.

8. I recommend, with the concurrence of the Minister of National Defence, that the Canadian Representative to the North Atlantic Council be authorized to accept:

(1) a contribution to the costs of the civil and military agencies of NATO in accordance with the permanent single cost-sharing formula as given in paragraph 5 above;

(2) a contribution to the cost of construction of the new NATO permanent headquarters building amounting to 6.08 per cent.²³

L.B. PEARSON

157.

PCO

*Note du Comité sur les aspects économiques
des questions de la défense
pour le Cabinet*

*Memorandum from Panel on Economic Aspects of Defence Questions
to Cabinet*

CABINET DOCUMENT NO. 237-55

Ottawa, November 29, 1955

TOP SECRET

NATO COMMON INFRASTRUCTURE

The Size of Coming Programmes

1. In December, the Permanent Council of the North Atlantic Treaty Organization will be asked to approve the common infrastructure programme for 1956, the sixth of its kind and the third and last to be financed from the £250 million sterling committed to this purpose in 1953 by member governments including Canada.

2. At the meeting of NATO Defence Ministers in October, the Standing Group outlined its common infrastructure requirements for the years 1957 to 1959. The programme is directed towards making possible of attainment the "minimum military measures which must be taken to ensure survival and ultimate victory in spite of new Russian developments and capabilities". Its cost is estimated at £365 million, broken down as follows:

For dispersal of forces (primarily air units)	£142 million
For early warning of enemy attacks	£ 47 million
To implement forward strategy	£125 million
For support by improved equipment and techniques	£ 15 million
For miscellaneous works and unforeseen requirements	£30-35 million

3. Canada will be expected to finance part of this programme. Her contribution under the expiring programme is 7.13%. The accession of Germany to NATO should reduce this percentage to about 6%. Canada's share in dollars would amount to approximately \$60.2 million or to an annual average contribution of \$10.0 million if actual expenditures are spread out over a period of six years.

4. Funds committed but not yet spent under previous programmes amounted to £393 million at the end of September of which Canada's share is \$72.6 million. If this balance is

²³ Approuvé par le Cabinet le 16 août 1955/Approved by Cabinet, August 16, 1955.

spent in the next four years, Canada's average annual contribution towards approved programmes will amount to \$18.0 million.

5. Thus, under these assumptions, Canada would spend a total of \$132.8 million on common infrastructure in the next six years and average expenditures in 1958 or 1959 would be \$28 million.

Reasons for a New Programme

6. The justification for making new commitments on common infrastructure rests primarily on military grounds.

7. The purpose of common infrastructure is to provide the fixed buildings and installations required to support the forces committed to NATO command in wartime. The programmes already approved are, by and large, achieving this purpose. There can be little doubt that NATO common infrastructure programmes have contributed significantly and perhaps decisively to the military strength of the alliance. Had radical new developments in military science not intervened, there would probably have been no requirement for additional large expenditures on common infrastructure beyond those for which financial provision has already been made.

8. However, the adoption of the new planning assumptions of M.C. 48 and the entry of Germany into NATO have generated a military need for new facilities to support NATO forces in carrying out the forward strategy, including an early warning system in Europe, the facilities required to permit the more widespread dispersal of air and naval forces, and the facilities required to accommodate the German contribution of armed forces.

9. The failure of member governments to assume the burden of providing the new infrastructure required to meet the changed military situation could seriously weaken the defensive strength of the alliance at a time when the solidarity and the unity of the alliance needs to be strengthened more than ever in the face of the Soviet tactics of reducing the incentives by apparently diminishing the military threat. It seems unlikely that the greater part of the new facilities required could be provided other than by the continuation of commonly financed infrastructure since, although the economic conditions of member nations have for the most part improved recently, there still remain few nations which could finance their own requirements entirely from their own resources.

10. It should be recognized moreover that commonly financed infrastructure programmes have themselves contributed to the economic strength of several members of the alliance, who have obtained direct and tangible economic benefits from them. Infrastructure has generated economic activities within the territories of most European member countries and has been a significant source of dollar revenue to them. Granted that the military need for further infrastructure programmes exists, the contribution which they make to the economic strength of the alliance provides further justification for continuing commonly financed infrastructure programmes.

11. The common financing of infrastructure programmes does involve a certain number of disadvantages among which might be mentioned the difficulty of effectively screening the programmes, the lack of direct control over the expenditures of common funds, the unavoidable and at times very lengthy delays both in the execution of programmes and in obtaining the agreement of all concerned to altering them, and the inevitable political pressures and vested interests which must be overcome in all phases of such programmes. This leads to the conclusion, not that a further infrastructure programme is unnecessary, but that its size and content require very careful scrutiny.

The Size of the Programme

12. Until the Standing Group has briefed the Council more fully, it is not possible to say whether a programme of the size contemplated by the Standing Group should be approved. In general, it might be said that it is preferable to have the Standing Group request the Council to commit funds now on projects whose value and usefulness cannot be immediately demonstrated.

The Content of the Programme

13. At present, to be eligible for common financing a project must conform to the following criteria:

- (a) it must be a fixed building or installation;
- (b) it must be essential to the implementation of NATO operational plans; and
- (c) it must have a sufficient degree of common use or interest.

The categories of projects which have been financed under this definition include airfields, naval bases, pipelines, communications, war headquarters, radar installations and air traffic control centres.

14. The programme outlined by the Standing Group will involve the extension of common infrastructure to new categories of projects conforming to the three criteria described above. The Council might also be asked to extend common financing to cover mobile equipment.

15. The extension of common financing to include mobile equipment could seriously weaken the degree of control which we can exercise over the size and particularly the content of the annual programmes. At the moment, the two main limiting factors are (a) the financial ceilings and (b) the criterion which confines infrastructure to fixed buildings and installations. The removal of the second factor would make it more difficult for Supreme Commanders to resist the pressures to extend in as many directions as possible the area of common financing. Such pressures are bound to arise in a programme such as the one under discussion and originate both within the military commands themselves and in host countries. Thus, the extension of common financing to mobile equipment would make it even more difficult to keep common financing within any well defined limits and to be sure that our contribution is put to its most effective use.

16. If, however, the need for certain types of mobile equipment is proven and if it is shown that it cannot be provided except through common financing, it would be preferable to list this equipment as an exception to the accepted definition of common infrastructure rather than to enlarge the definition itself.

Recommendation

17. It is recommended:

- (a) that the Government agree, in principle, to another common infrastructure programme;
- (b) that it do not at this time commit itself to a programme of a particular size and content; and

(c) that, when the time comes to assess and approve the programme, Canadian representatives should, in order to make it both effective and economical, review it carefully and critically.²⁴

SECTION C

ATTRIBUTIONS D'AÉRONEFS À L'ALLEMAGNE
ALLOCATION OF AIRCRAFT TO GERMANY

158.

DEA/50030-L-12-40

*Le représentant permanent auprès du Conseil de l'Atlantique Nord
au secrétaire d'État aux Affaires extérieures*

*Permanent Representative to North Atlantic Council
to Secretary of State for External Affairs*

TELEGRAM 635

Paris, May 13, 1955

CONFIDENTIAL

F86 AIRCRAFT — VISIT OF MR. JH DAVIS,
EUROPEAN REPRESENTATIVE OF CANADAIR

We were visited today by Mr. Davis, who was anxious to find out whether we were familiar with the details of German military aircraft procurement plans and whether any policy decision had been taken regarding Canadian mutual aid to Germany now that she has entered NATO.

2. On the first point, we told Mr. Davis that we in this delegation had not been closely concerned and it was most unlikely that we would be in future as all major decisions were a German national responsibility and would accordingly be taken in Bonn (Mr. Davis voiced his appreciation of informal assistance given by the Bonn Embassy in placing him in touch with influential Germans in Blank's office). We had, as yet, only very general preliminary contacts with the German delegation which had not been finally constituted. In particular, no German defence production adviser had been appointed to date and, even after his nomination, it was improbable that he would be directly involved in the detail of German procurement planning. His task would presumably be participation in the discussion of certain broader issues affecting all NATO partners within the Defence Production Committee. If, however, we did pick up any information which might properly and usefully be passed on to Mr. Davis, we would be glad to do so.

3. On the second point, we reminded Davis of our method of allocating mutual aid and, as a matter of principle, we did not believe that there could be any such thing as "a direct Canadian mutual aid contribution to Germany". We stated that we considered mutual aid to be generally on the decline, that emphasis was switching increasingly to North American defence and we, therefore, thought it unlikely that the Canadian Government would be prepared to enter into further long term mutual aid commitments such as the supply of Sabre VS or VIS which might, on standing group recommendation, be allocated to Germany. In spite of the foregoing, Davis asserted that Notman intended to visit Mr. Howe in

²⁴ Approuvé par le Cabinet le 7 décembre 1955. Pour les délibérations du Cabinet, voir le document 155.
Approved by Cabinet, December 7, 1955. For Cabinet discussion, see Document 155.

the near future to see whether the latter would use his influence to press for a further Sabre mutual aid contribution on the grounds that it would assist very materially in maintaining in essential element of Canada's defence production base.

4. There remained the question of sales. Davis evidently hopes that the Canadian Government will use its good offices to influence the Germans to purchase defence equipment from Canada and that official pressure will also be exerted on the United States, either directly or through the Germans, to take active account of Canadian facilities in any United States MDAP programmes for Germany. The underlying motive would be to secure the equipment of German air units in the fourth ATAF with Canadair Orenda-equipped Sabres rather than with new North American J-47-equipped aircraft. Davis thought that the Germans themselves would be reluctant to accept used Sabre IIS under any re-transfer arrangement.

5. Davis admitted that he had come to "cry on our shoulder". Canadair's employment level had dropped to 7,000 and would be further reduced unless additional orders could be found in the immediate future. No stone could be left unturned in the search for orders. Canadair had, in recent months, lost a large proportion of highly skilled labour which would almost certainly be needed later on the Bristol 175 project. It would be most difficult to re-assemble this skilled labour force as many workers in it had gone to the United States. He thought that Canada's attitude regarding influencing the pattern of German defence procurement had been too gentlemanly. Neither the United Kingdom nor the United States had observed the rule during the last six months that the promotion of commercial interests should not be allowed to interfere with the ratification of the Paris agreements. This Canadian argument was in any case no longer valid, and, even if much time had been lost, he thought that the Germans would prefer to do business with Canada rather than with the United States. The latter had overplayed their hand. However, the Germans would shortly be taking firm decisions and further delay was most undesirable.

6. We gather from Davis that a visit to Canadair and to AV Roe was made recently by a Dr. Schellenberg and a Mr. Lengerke, who claimed to be undertaking a survey for the German administration of types, price and availability of aircraft in which the German air force might be interested. They are said to have quoted a requirement for 600 sabres. Davis, pending a further investigation of his own, has some doubts regarding the credentials of these two individuals and the German authority for their visit. He also mentioned in strict confidence that General Dynamics Corporation were actively considering the establishment of an aircraft plant in Germany which would be largely "germanized" in respect of both capital and personnel. Its object would be to cater for replacement equipment when either obsolescence or attrition demanded a changeover from initial aircraft to be obtained from abroad. He did not think that there would be any serious competition from pre-war German aircraft manufacturers.

7. Canadair may well try to pursue their enquiries and trade promotion efforts through us and it is possible that similar pressures may arise from other Canadian producers of defence equipment. We should accordingly be grateful for your guidance on the line which we should take on matters of this kind. We are sending by bag a copy of this telegram to Bonn and you may think it advisable to inform Washington.

L.D. WILGROSS

159.

DEA/50030-L-12-40

*L'ambassadeur en République fédérale d'Allemagne
au secrétaire d'État aux Affaires extérieures
Ambassador in Federal Republic of Germany
to Secretary of State for External Affairs*

TELEGRAM 136

Bonn, June 24, 1955

SECRET. MOST IMMEDIATE.

ALLOCATION OF CANADIAN AIRCRAFT TO GERMANY

Davis of Canadair called today on the Commercial Counsellor and told him that his head office had informed him that at a meeting which Crawford Gordon and Notman had recently with Mr. Howe, the Minister agreed that "Canada would allocate 25 million dollars to NATO earmarked to provide three squadrons of military aircraft for Germany" which would be two Canadian Sabres and one Avro CF100. Davis said that at a meeting which he had had with Dr. Erhard this morning he had given him the foregoing information suggesting that it was one of the important results of Professor Erhard's visit to Canada.

2. Davis added that Professor Erhard had been visibly pleased by this information and that he had indicated that he would inform Chancellor Adenauer and Defence Minister Blank and write his thanks to Mr. Howe.

3. Representatives in Germany of Avro have informed the Commercial Counsellor that Morley and Davous will arrive here July 4 for talks with the Ministry of Defence regarding the supply of Canadian aircraft.

4. I have no means of knowing whether Davis' account of Mr. Howe's decision is accurate. On the assumption that this information is correct (which seems to me improbable) it seems highly inappropriate that the first information regarding it should reach the German Government not through the Canadian Government but through the Canadair representative. In addition there is the obvious consideration that such an allocation would have to be made on standing group recommendation.

5. On the assumption that the information received by Mr. Davis is incorrect a most awkward situation will have been created as Dr. Erhard and the Chancellor are now under the impression that Germany will be receiving these aircraft as mutual aid.

6. Needless to say Mr. Davis did not consult this Embassy before making his communication to Dr. Erhard. My own last information on the subject is contained in your telegram 120 of June 7† addressed to Canac Paris repeated Bonn to the effect that "it seems most unlikely that any F86 aircraft will be made available as mutual aid to Germany".

7. As you may recall I have frequently asked to be kept in touch with any changes of policy on this subject. I should be grateful for the earliest possible information on the situation together with your instructions as there is always the possibility that the German authorities may take this matter up with me or even may issue a public statement concerning it.

[C.S.A.] RITCHIE

160.

DEA/50030-L-12-40

*Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur en République fédérale d'Allemagne*

*Secretary of State for External Affairs
to Ambassador in Federal Republic of Germany*

TELEGRAM 143

Ottawa, June 24, 1955

SECRET. IMMEDIATE.

Reference: Your Telegram No. 136 of June 24.
Repeat Canac No. 716; London No. 1037.

ALLOCATION OF CANADIAN AIRCRAFT TO GERMANY

The information which Davis claims to have received to the effect that "Canada would allocate \$25 million to NATO earmarked to provide three squadrons of military aircraft for Germany" is quite inaccurate. The most that Mr. Howe said in a discussion with industry representatives was that he would be prepared to examine the problem carefully if other departments concerned, particularly National Defence, were prepared to recommend the provision of such aircraft to Germany. Mr. Howe was aware at that time that officials were not, repeat not, prepared to make such a recommendation.

2. In the circumstances, I think it would be desirable for you to seek an interview with Professor Erhard as soon as possible to deny the accuracy of what Davis is alleged to have told him. You will doubtless wish to explain to Erhard the procedures through which Canadian Mutual Aid is made available.

3. For your own information, DDP is protesting vigorously to the Canadian companies concerned at what they regard as a bare-faced attempt to force the Canadian Government's hand. We shall continue to keep you advised.²⁵ Ends.

161.

DEA/50030-L-12-40

*L'ambassadeur en République fédérale d'Allemagne
au secrétaire d'État aux Affaires extérieures*

*Ambassador in Federal Republic of Germany
to Secretary of State for External Affairs*

TELEGRAM 139

Bonn, June 28, 1955

SECRET. MOST IMMEDIATE.

Reference: Your telegram No. 145 of June 27.
Repeat London No. 67; Paris No. 47 for Canac (London please pass Paris).

²⁵ Note marginale :/Marginal note:

(For file — this is based on talk with Mr. Golden, who had consulted Mr. Howe.) M. Wershof

ALLEGED OFFER OF JET AIRCRAFT BY CANADA

I saw Dr. Erhard this morning (after persistent but fruitless efforts to see him earlier) and explained to him that Davis' statement to him was inaccurate. At the same time I outlined our mutual aid procedures.

2. Dr. Erhard was plainly upset and disappointed. He said that he had already informed the Chancellor of the "Canadian offer" and that he would now have to tell him that the story was not true. He went on to say that he could not understand how a man in Davis' position could make such a statement and assure him that it was "official". I reminded Dr. Erhard that Davis does not represent the Canadian Government and that any communication on its behalf made in Bonn would come through this Embassy.

3. Dr. Erhard asked what explanation Davis had given to this Embassy for the story which he had told him. I said that I judged that Mr. Davis believed that he had information along the lines he had explained to Dr. Erhard but that I had since communicated with the Canadian Government and could assure Dr. Erhard that Mr. Davis' story was not accurate.

4. I then raised the question of the German Press Agency story referred to in your telegram No. 145† which also appeared in the German Press today. I said that I proposed to telegraph my government if he agreed that this was not an official German statement but merely a press rumour. Dr. Erhard replied that it was, of course, not official and that the story did not come from him. He added, however, that if pressed for a statement he would have to reply by giving a full account of what had transpired with Mr. Davis, otherwise people would think him "insane" for having believed such a story.

5. I said that the Canadian Government for their part might be pressed for a statement. I thought it would be unfortunate if statement and counter statement led to any misunderstanding between our two countries. I suggested that Dr. Erhard and I might keep in touch on the publicity aspect and that he would inform me, if possible, before making any public statement. He agreed and said that for his part he would like to be informed before any public statement was made in Canada. I agreed to this with the proviso that in the time interval between now and receiving your further instructions the Canadian Government might have been placed in a position where it had to make some form of statement. I think it is important, if at all possible, to maintain this understanding with Dr. Erhard about public statements and should therefore hope that you could furnish me with the text of any contemplated statement in advance. In this way we may hope to avoid further trouble.

6. No doubt Dr. Erhard finds himself in a very embarrassing position, having presumably taken credit with the Chancellor for obtaining this "gift from Canada". However, had he wished to confirm the accuracy on Davis' statement he had only to communicate with this Embassy. Moreover, for your personal information, I can only think that despite Dr. Erhard's denial the German Press Agency story "leaked" either from him or his assistant, Dr. Seipt, who was present at the interview with Mr. Davis. It certainly did not leak from this Embassy. I should be grateful if you could let me know as soon as possible what the position is regarding any possible Canadian Government statement so that I can keep in touch with Dr. Erhard.

[C.S.A.] RITCHIE

162.

C.D.H./Vol. 43

*Le ministre du Commerce
à l'ambassadeur en République fédérale d'Allemagne*
*Minister of Trade and Commerce
to Ambassador in Federal Republic of Germany*

[Ottawa], November 26, 1955

Dear Mr. Ritchie,

As you know, Canadair have been attempting to sell Sabre Jet aircraft powered with Orenda engines to the Government of Germany. We both suffered some embarrassment through the suggestion made by an agent of Canadair that these aircraft would be a present from Canada as mutual aid.

However, it has now been determined that the United States will give Germany only one-third of her aircraft requirements (instead of two-thirds as originally suggested), and that West Germany has allocated approximately nine billion Deutsch Marks for their own military procurement programme. Canadair now believes that there is an opportunity to sell Canadian-built planes with Canadian-built engines to Germany for dollars. In the event that the Germans plan to build their own airframes, it is possible that we can sell the Orenda engines. In any event, Canadair will attempt to make the sale.

I will appreciate the favour if you and your staff will support this transaction in every way possible. Canadair is coming to the end of its Canadian programme and needs additional work. An extension of its Sabre programme would be an excellent solution.

Our squadrons in Germany are equipped with Sabre aircraft of the type that will be offered. I understand that these aircraft have built up a splendid reputation as against aircraft of other countries. I suggest that it may be possible to make the sale in spite of everything.

I enclose copy of letter† addressed to myself from J.G. Notman, President of Canadair. My wife joins me in sending warm personal regards to Mrs. Ritchie and yourself.

Yours sincerely,
C.D. HOWE

163.

C.D.H./Vol. 43

*L'ambassadeur en République fédérale d'Allemagne
au secrétaire d'État aux Affaires extérieures*
*Ambassador in Federal Republic of Germany
to Secretary of State for External Affairs*

TELEGRAM 298

Bonn, December 19, 1955

TOP SECRET. IMMEDIATE.

Reference: My telegram 290 of Dec. 9/55.†

Repeat NATO Delegation Paris (for Mr. Wilgress) No. 76; High Commissioner London (for Mr. Robertson) No. 114.

SALE OF SABRE JET AIRCRAFT TO GERMANY

As you are aware, Mr. Campney approached Mr. Wilson, United States Secretary for Defence, during the NATO meeting in Paris regarding the possible supply as mutual aid of between 75 and 130 F-86 aircraft, pointing out that the Supreme Allied Commander, Europe, had suggested that it might be a useful contribution as mutual aid to Germany. I believe that Mr. Wilson's initial reaction to this suggestion was favourable.

2. As you know from my telegram under reference, I had been going on the assumption, as a result of Mr. Howe's letter, that the proposal was for the sale of these aircraft as a commercial transaction for dollars. I assume, of course, that Mr. Howe knows of the new position with regard to mutual aid. Meanwhile, however, I am not, repeat not, mentioning this latter possibility to Davis of Canadair.

3. I understand that Mr. Campney invited Herr Blank, German Minister of Defence, to visit an RCAF Station to see a performance of sabre jets without, of course, giving him any indication that there was possibility of these planes being supplied as mutual aid to Germany. I am wondering whether it is intended to follow up this proposal with an official invitation to Herr Blank and whether this will be done direct on the ministerial level or whether any action is required by this Embassy. I assume that the air division will be informed in due course regarding the proposed visit.

4. In view of the embarrassment caused on a previous occasion by the leakage through Canadair's representative of information regarding the possibility of Canada supplying planes as mutual aid to Germany, I hope that this time if Canadair are informed in advance of the transaction they will be instructed to exercise discretion. There is another aspect of the activities of Canadair's representative, Mr. Davis, in Germany, which is causing me some concern. When he visited me recently, Mr. Davis told me that a certain Dr. Prentzel, a German contact of his, had suggested to him that the Germans were interested in the supply of uranium from Canada. Mr. Davis felt that this possibility would be "a carrot which could be dangled" before the Germans to encourage them in purchasing sabre jet aircraft. I told Mr. Davis at the time that the disposal of Canadian uranium was a matter of policy for the Canadian Government and was a matter also of considerable international delicacy and was a subject which should not be discussed in Germany. I was, therefore, disturbed to see a letter from Mr. Davis to G/C Edwards, Air Attaché at this Embassy, dated December 10, in which it is stated that he (Mr. Davis) had suggested to Canadair "that Mr. Notman should put forward to Mr. Howe the proposal made by Dr. Prentzel concerning the supply of certain material and he can dangle the appropriate carrot before Minister Strauss, and again I asked him to advise us as soon as possible." Mr. Davis' letter goes on to say, "I have now suggested to Dr. Prentzel that I feel we should lose no time, or leave a gap for our competitors, so that he might feel it advisable to talk to Strauss (German Minister for Atomic Affairs) and Rust, tell them of the position, and intimate that he would like to feel it possible to put forward a suggestion to the appropriate Canadian authorities through the Ambassador, that they might be able to help with the supply of the material in question, which would obviously not commit anybody, but perhaps keep the door firmly barred against competitors' activities in the meantime, and I have told him that if he would like me to be present I could be any time next week up to Wednesday, but I have suggested to him that it might be more appropriate if I were not present until we have some news from the other side." On my return from the NATO meeting in Paris today I telephoned Mr. Davis in London and told him once again that he should not discuss with his German contacts the possibility of Canadian supply of uranium to Germany.

5. In view of Dr. Menne's interest in the possibility of obtaining uranium from Canada (see my despatch No. 1030 of December 1†) and of the fact that the supply of uranium is a delicate matter in international relations in connection with Eura Atom, I suggest that Mr. Davis should stay out of this field entirely.

6. I should be grateful to be kept informed as fully as possible on all current developments in Ottawa affecting Germany regarding:

- (a) the possibility of sabre jets being supplied as mutual aid to Germany; and
- (b) the possibility of Canadian delivery of uranium to Germany.

7. I spoke to Mr. Pearson on this subject in Paris and he suggested that Mr. Howe should be informed of Mr. Davis' activities with regard to the supply of uranium. I should therefore be grateful if Mr. Howe could be informed of these developments.

[C.S.A.] RITCHIE

SECTION D

TURQUIE
TURKEY

164.

DEA/50030-L-10-40

*Note du sous-secrétaire d'État aux Affaires extérieures
pour le secrétaire d'État aux Affaires extérieures*

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

CONFIDENTIAL

[Ottawa], September 28, 1955

MUTUAL AID TO TURKEY — SHIPPING CHARGES

I understand that the Minister of National Defence may raise the above subject at an appropriate time during the current meetings of Cabinet and you may therefore find helpful the following brief background note.²⁶

For some time now the Turkish Government has been experiencing a good deal of difficulty in rounding up the necessary foreign exchange to meet shipping charges involved in the carriage of our mutual aid cargoes to Turkey. More recently it has become clear that the inability of the Turkish Government to pay the substantial amounts (some \$750,000) already owing to shipping companies will mean that these companies will no longer be willing to take the additional financial risks involved in accepting further mutual aid cargoes for Turkey. Moreover, even should the shipping companies themselves be prepared to continue to accept cargoes there is evidence that the Turks will be loathe to add to their external indebtedness by bidding for substantial amounts of Canadian mutual aid equipment.

Early this month the Turkish Foreign Ministry sent a note† to our Embassy in Ankara outlining the difficulties which were being faced by the Turkish Government and requesting that arrangements be made for future mutual aid cargoes to be shipped from an east

²⁶ Note marginale :/Marginal note:

raised yesterday [en Comité du Cabinet sur la défense/in Cabinet Defence Committee] L.B. P[earson]

coast Canadian port in Turkish vessels engaged in a regular liner service between New York and Turkey. Officials are now generally agreed that meeting this specific Turkish request would involve the Canadian Government in fairly heavy inland transportation, storage and other costs as well as in substantial administrative problems. It would also constitute a departure from, and hence place in jeopardy, our present policy of shipping mutual aid cargoes in regular bona fide liner services operating between Canadian ports and recipient countries. Finally, it would provoke requests (which it would be difficult for us to reject) from other countries for similar treatment.

There would appear to be no easy solution to the Turkish problem but, on balance, officials have concluded that the most realistic way of meeting it would be for Canada to agree, as a temporary measure, to meet from funds appropriated for mutual aid the future ocean shipping cost arising from the carriage of mutual aid cargoes for Turkey.²⁷ While the payment of such charges for Turkey alone might result in requests from other NATO countries (and possibly Colombo Plan countries as well) for similar treatment, it was considered that in the case of Turkey unique considerations, particularly those relating to the present Turkish balance of payments position, apply. It was also agreed that, while a favourable decision with respect to the payment of shipping charges for Turkey might be considered as setting a precedent, it was not appropriate or necessary at this stage to define the conditions under which other countries receiving Canadian aid would be eligible for similar assistance.

Officials generally agreed that it was not appropriate for Canada to offer similar treatment to other NATO countries, many of whom could readily afford to meet their own shipping charges and many of whom were actually benefitting from the shipping arrangements which we make (which permit ships of other NATO countries, on a non-discriminatory basis, to participate in the carriage of mutual aid and other Canadian Government cargoes.) It will be appreciated however that our willingness to make special arrangements for Turkey might cause the Greeks some concern; nevertheless it is considered that unless there are strong political reasons for according the Greeks similar treatment we should refrain from action which would excite similar requests from Italy, Portugal and perhaps others as well.²⁸ A Greek request, when and if it is received, should probably be considered on its own merits. Mr. Campney will no doubt have these (and other) considerations in mind during his visit to Turkey and Greece.

Trade and Commerce officials did not disagree with this line; the question of arrears, I understand, is to be dealt with separately after Mr. Campney's return.²⁹

J. L[ÉGER]

²⁷ Note marginale :/Marginal note:
I agree [L.B. Pearson]

²⁸ Note marginale :/Marginal note:
I agree [L.B. Pearson]

²⁹ Léger a ajouté à la main ce paragraphe final./Léger added this final paragraph by hand.

165.

DEA/50030-L-40

Note du chargé d'affaires de l'ambassade en Turquie
Memorandum by Chargé d'Affaires, Embassy in Turkey

SECRET

[Ankara], October 10, 1955

On October 3, 1955, the Honourable Ralph Campney, Canadian Minister of National Defence and General Foulkes, Chairman, Chiefs of Staff, held separate conversations with Acting Foreign Minister Fatin Rustu Zorlu, and Deputy Prime Minister and Acting Defence Minister, Fuad Koprulu. General Tuanboyu, Acting Chief of the General Staff assisted at the second meeting; General Ariburun, Vice-Chief of the Air Staff, at both. The following is a brief summary of the principal questions raised and decisions taken.

I—CANADIAN MUTUAL AID SHIPPING CHARGES

The Canadian Minister of National Defence advised the Turkish Ministers of the Cabinet decision,³⁰ taken just prior to his departure, that the Canadian Government would assume as a charge against Mutual Aid funds the costs arising in future from the carriage of Mutual Aid cargoes from Canadian to Turkish ports. All future Mutual Aid cargoes for Turkey will therefore be delivered at Turkish rather than Canadian ports. The decision is being put into immediate effect.

The new arrangement constitutes a departure from Canada's established practice. It is an exception being made only for Turkey in recognition of special circumstances, including balance of payments difficulties. To avoid charges in discrimination or pressure from other recipients of Mutual Aid for similar treatment, the Canadian Government wishes that the decision neither be made public nor made known to other NATO countries. The NATO Council is not being informed of this purely private, bilateral Canadian-Turkish arrangement.

II—TURKEY'S AIRCRAFT REQUIREMENTS

(a) *F-86E Sabre Jets*

Turkey's need for 25 more IDF aircraft in each of the next two years in order to reach the force goals approved by SHAPE was put forward by Turkish Ministers and the possibility of their procurement in Canada was discussed.

The Canadian position as a source of supply was described as follows: Canada has come to the end of its supply of F-86E's powered with the American-made J-47 engine. Arrangements are about to be made to transfer to the USAF in December 1955 the responsibility for the future maintenance and spares support of these engines. Air Commodore Millard, RCAF, will visit Turkey shortly in that connection. The supply of spare engines remaining in Canada will be made available as Mutual Aid.

Any further F-86's which become surplus to Canadian requirements will, however, be powered by the Canadian-made Orenda engine, the maintenance and supply of which can only be carried out under commercial contract in North America and the United Kingdom. The allocation to NATO countries of the Orenda-powered F-86 as part of Mutual Aid would therefore present special maintenance and supply problems and would involve substantial additional cost to the Canadian Government. The Canadian Government will be reviewing the whole question shortly and will have to weigh carefully the special difficul-

³⁰ Discuté par le Cabinet le 29 septembre 1955./Discussed by Cabinet on September 29, 1955.

ties involved in embarking upon the inclusion, as Mutual Aid, of aircraft powered by the Orenda engine against the urgency of unfilled needs of her NATO partners.

(b) *Elementary Trainers*

Turkey's need for additional elementary training aircraft of the Harvard type will be studied by the Canadian Government. As the RCAF is in the process of switching to a more advanced type of elementary trainer, some surplus aircraft may be released as Mutual Aid. The question will be referred to the Canadian Chief of the Air Staff.

III—AIRFORCE TRAINING REQUIREMENTS

(a) *Air Crew*

86 pilot spaces in the Canadian Air Training Programme have been allocated to Turkey for the period July 1, 1955 to June 30, 1956 and this number is to be increased to 120 for the training year 1956-57; to reach the pilot/aircraft ratio approved by SHAPE, Turkey requires that the number be increased to 150 pilot spaces annually until 1958. Turkey's request that the additional facilities needed be made available under the Canadian Air Training Programme will be sympathetically considered. Since the requirements of the United Kingdom and other NATO countries may shortly be falling off, the possibility of making available to Turkey 30 additional spaces annually will be mentioned by General Foulkes to General Gruenther in Paris.

The Canadian Government has authorized the Canadian Air Training Programme at its present level only until 1958; new authority must therefore be sought for succeeding years. A review of the whole question of the Air Training Programme will shortly be undertaken and its structure may be substantially re-organized to involve more direct Canadian control over the allocation of spaces. The Programme, which is operated at the high cost to the Canadian taxpayer of approximately 65 million dollars annually, will therefore require careful justification in order to obtain renewed Government authority.

In this connection, it would assist the Canadian Government in securing the continuation beyond 1958 of the Air Training Programme if the NATO recipients of this form of Mutual Aid can improve the standard of their trainees. For Turkey the object should be to reduce the number of failures, now running at the unsatisfactory level of 60 percent. Language difficulties and personnel problems, arising out of lack of familiarity with a new and strange environment, are recognized as major obstacles to improvement. The Canadian Government is already assisting by providing 20 weeks' special language training for Turkish trainees and the Turkish Government, for its part, can assist by increasing the effectiveness of preliminary training in Turkey and selecting only the best-qualified candidates. It is understood that the Turkish Government will review and improve the standards of both training and orientation indoctrination at Turkish preliminary air training centres.

It was agreed that the following additional measures would be taken in an effort to increase the number of Turkish candidates successfully completing air training in Canada:

(i) At the invitation of the Canadian Government, two Turkish Liaison Officers, one to be stationed at each Programme training centre in Canada, are to be posted to Canada to deal with administrative and personnel problems.

(ii) The Canadian Government is prepared to give consideration to the posting of an Air Attaché to the Canadian Embassy, Ankara, for the same purpose.

Reference was made in the course of the discussions to the fact that, because the present training in Canada stops short of jet flying and gunnery, the Canadian Air Training Programmes does not produce a combat-ready pilot. On return to Turkey, successful trainees still require an additional six months training. It was explained that Canadian trainees

go on to operational units for their advanced flying training and gunnery. The possibility of extending similar facilities to Turkish trainees at Canadian operational units as part of Mutual Aid will be referred to the Canadian Chief of the Air Staff.

IV—GROUND TRAINING

(a) *Supply and Maintenance Specialists*

To relieve the demands on Canada, steps should be taken to make the Turkish Airforce self-sufficient in supply and maintenance personnel. It was agreed that the Turkish Airforce will send for training to the RCAF Air Materiel Base, Langar, England, supply and maintenance specialists who will in time take over responsibility for these matters.

(b) *Trade Training*

Foreign exchange spent by Turkey on the passages to Canada of pilot trainees who prove unsuccessful is wasted under the present system whereby they are simply returned to Turkey for assignment to other duties. The Turkish Government's suggestion that they be switched to trade training (electronics, gun sights, etc.) in Canada will be referred to the Canadian Chief of the Air Staff for consideration.

V—ARMOUR

Canada is a producer of neither tanks nor armoured vehicles and is therefore not in a position to meet the Turkish Government's request for assistance in providing the major items of equipment for an armoured division. Regarding the availability in Canada as Mutual Aid of other components of an armoured division, the following observations were made:

(a) *AA Guns*

54 3.7" guns have already been delivered to Turkey as Mutual Aid. The possibility of further deliveries will be investigated.

(b) *Vehicles (ordinary)*

Substantial numbers of 3 and 4 ton trucks, 15 cwt's, jeeps, etc. have already been allocated to Turkey as Mutual Aid. The Canadian Government will give consideration to the supply of further quantities as Mutual Aid.

(c) *Training*

The Canadian Army has complete training facilities for armoured units in Canada and would be prepared to consider extending these facilities to Turkish trainees.

VI—OTHER MUTUAL AID EQUIPMENT

In future, available Mutual Aid equipment will be almost entirely new and will consist mainly of vehicles, ammunition and explosives, and electronics equipment — i.e., items for which the Canadian Government particularly wishes to maintain a high level of productive capacity.

2^e PARTIE/PART 2
 PROCÉDURES D'ALERTE
 ALERTS PROCEDURES

SECTION A

ALERTE

ALERTS

166.

DEA/50030-AB-4-40

*Note du sous-secrétaire d'État aux Affaires extérieures
 pour le secrétaire d'État aux Affaires extérieures*

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

TOP SECRET

[Ottawa], June 4, 1955

ITEM I: 105TH MEETING CABINET DEFENCE COMMITTEE, JUNE 7, 1955
 MEASURES TO BE TAKEN ON AND AFTER WARNING OF ATTACK

The preparation of this submission (Doc. D 11-55†) was begun following consideration by the NATO Council on July 1, 1953, of a paper outlining the three-phased alert system. At that time the Council agreed that negotiations should commence between military commanders and national authorities leading to the approval of the proposed NATO Alert Measures. The proposed SACLANT Alert Measures are listed in Appendix "A" to the submission; the proposed SACEUR Alert Measures are contained in Appendix "B". Paragraph 12(a) of the submission recommends that:

"(a) The Canadian Government accept the NATO Alert Measures which have been proposed by SACEUR and SACLANT."

2. The NATO Alert Measures which appear to be of some concern to this Department are listed in enclosure 1 to this memorandum. They relate to:

- (a) the evacuation of non-combatants from Europe;
- (b) the diversion and evacuation of merchant shipping from exposed areas.

These matters are referred to in the Departmental War Book. The specific provisions in the War Book relating to them will of course have to be reviewed.

3. In addition to requesting approval of the NATO Alert Measures, the submission recommends in paragraph 12(c) that:

"(c) the Canadian Government approve, for use in Canada, the three-phased system of alerts and the Canadian Military Alert measures contained at Appendix "C"."

As Reinforced Alert measure No. 20 in Appendix "C" will necessitate the calling out of certain Reserve Forces and units, paragraph 12(d) recommends that:

"(d) the Minister of National Defence be given authority to call up specified Reserve forces and units on the declaration of a Reinforced Alert, or a General Alert if the War Measures Act is not in force."

The fourth recommendation, in paragraph 12(b), is that:

“(b) the proposed amendments to Chapter II of the 1948 Government War Book as contained in the proposed revision, attached as Appendix “D”, be approved.”

4. The adoption by Canada of the three-phased system is logical, and perhaps inevitable, not only because standardization of procedure and nomenclature throughout NATO is inherently desirable, but also because substantial Canadian forces are committed to NATO commanders. This has, however, important political consequences. At present, as outlined in enclosure 2,[†] the Cabinet reserves the right to decide when the various precautionary measures are to be implemented, and when the War Measures Act is to be invoked and the Defence of Canada Regulations are to be put into effect. The NATO documents, while recognizing that each government reserves to itself the authority to commit its nation to war, and that agreement from political authorities to authorize the implementation of preliminary measures will be obtained through the Council if time permits, propose that in a sudden and extreme emergency:

(a) Supreme Commanders and their immediate subordinates be authorized to declare the Simple Alert;

(b) Supreme Commanders be authorized, in consultation with individual governments concerned and the Standing Group, to declare the Reinforced Alert;

(c) Supreme Commanders be authorized, in the event of an overt act of armed aggression anywhere in NATO area, to call upon national authorities to implement such of the General Alert measures as they deem necessary.

5. The only reference in the submission to procedures for declaring Alerts in Canada is in paragraph 9 which reads as follows:

“Under normal conditions it is expected that the Cabinet or the Cabinet Defence Committee will authorize the calling of an alert, but that under extraordinary circumstances it is expected that their authority would be delegated to the Minister of National Defence.” (my underlining)

As you know, we have proposed in concert with the United Kingdom that tripartite agreement should be reached on procedures leading up to the declaration of Alerts.³¹ The elaboration of Canadian procedures is dependent on the result of these negotiations. In the meantime, however, I am strongly of the view that the underlined part of paragraph 9 should not be allowed to stand unquestioned. I have already argued at a recent meeting of the Interdepartmental Committee on the War Book, when this submission was considered, that, if any Minister is to have the authority to declare an Alert under extraordinary circumstances, this must be the Prime Minister. Failing him, the authority would, I suppose, fall on the Minister of National Defence, who would, of course, consult other Ministers to the extent permitted by circumstances.

6. For your information, planning is well under way for the rapid and effective handling of indications intelligence, including the setting up of a full-time Indications Room in the Department of National Defence. No further action is being taken, however, until tripartite agreement has been reached.

J. L[ÉGER]

³¹ Voir/See Document 168.

[PIÈCE JOINTE/ENCLOSURE]

TOP SECRET

NATO ALERT MEASURES OF SOME DIRECT CONCERN
TO THE DEPARTMENT OF EXTERNAL AFFAIRS

Note: These are all SACEUR's measures, and are listed in Appendix "B" to the submission. SACEUR requests agreement by Governments now that they will implement these measures on request during an Alert.

I. THE EVACUATION OF NON-COMBATANTS FROM EUROPE

Category 2, No. 1

(a) "National authorities are requested and military commanders are directed to prepare to evacuate allied non-combatants (Category A) from the allied occupation zones of Germany and Austria, and from other countries in Allied Command Europe as designated by national authorities." (*Simple Alert*).

Category 2, No. 13

(b) "National authorities are requested and military commanders are directed to proceed with the evacuation of allied non-combatants (Category A) from the allied occupation zones of Germany and Austria and from other areas in Allied Command Europe, as designated by national authorities." (*Reinforced Alert*).

Comment:

"Allied non-combatants" would include dependents of service personnel for which the military authorities are responsible. However all other classes of Canadians in these areas would be the responsibility of our Missions under our Emergency Plan for Evacuation.

II. THE DIVERSION AND EVACUATION OF MERCHANT SHIPPING FROM EXPOSED AREAS

Category 2, No. 3

(a) "National authorities are requested to advise, discreetly, ocean and coastal shipping agencies and shipowners that a period of international tension exists and that efforts should be made to diminish traffic of allied or friendly shipping in certain specified European areas." (*Simple Alert*).

Category 2, No. 5

(b) "National authorities are requested and military commanders are directed to consider local problems and make all discreet preliminary preparations possible for the evacuation of shipping and port equipment from Allied ports in Europe which would be dangerously exposed at the outbreak of hostilities. This measure includes the issuing of "Discreet" and "Inspired Warnings" to shipowners." (*Simple Alert*).

Category 2, No. 17

(c) "National authorities are requested and military commanders are directed to recommend strongly the diversion of allied or friendly shipping from hostile ports and waters, and from those allied or neutral ports and waters which would be dangerously exposed at the outbreak of hostilities." (*Reinforced Alert*).

Category 2, No. 19

(d) "National authorities are requested and military commanders are directed to recommend strongly and to prepare the evacuation of merchant shipping and port equipment from allied ports in Europe which would be dangerously exposed at the outbreak of hostilities." (*Reinforced Alert*).

Comment:

Except in so far as this Department maintains liaison on shipping matters with the Department of Transport, it would not appear that questions relating to the measures to be taken are a departmental responsibility. The Canadian Missions in Brussels, Copenhagen, Helsinki, Oslo, Stockholm and The Hague are responsible for shipping matters in those ports. In all other European ports, the United Kingdom authorities take care of Canadian shipping matters. Consequently some arrangements will have to be made concerning simultaneous action through these two separate channels.

167.

PCO

*Extrait du procès-verbal de la réunion
du Comité du Cabinet sur la défense*

*Extract from Minutes of Meeting
of Cabinet Defence Committee*

TOP SECRET

[Ottawa], June 7, 1955

Present:

The Prime Minister, (Mr. St-Laurent), in the Chair,
The Minister of Defence Production (Mr. Howe),
The Minister of National Defence (Mr. Campney),
The Minister of National Health and Welfare (Mr. Martin),
The Secretary of State for External Affairs (Mr. Pearson),
The Minister of Finance (Mr. Harris).
The Secretary (Mr. Martin)
The Military Secretary (Commander Solomon).
The Chairman, Chiefs of Staff (General Foulkes),
The Chief of the General Staff (Lieutenant-General Simonds),
The Chief of the Naval Staff (Vice Admiral Mainguy),
The Chief of the Air Staff (Air Marshal Slemon),
The Chairman, Defence Research Board (Dr. Solandt).
The Secretary to the Cabinet (Mr. Bryce),
The Deputy Minister of National Defence (Mr. Drury),
The Under-Secretary of State for External Affairs (Mr. Léger),
The Deputy Minister of Defence Production (Mr. Golden),
The Assistant Deputy Minister of Finance (Mr. Deutsch).

I. MEASURES TO BE TAKEN ON AND AFTER WARNING OF ATTACK

1. *The Minister of National Defence* said that the NATO Council had approved, as a basis for negotiations between Supreme Allied Commanders and national authorities, a three-phased alert procedure. This set out the Simple, Reinforced, and General Alerts which were designed to cover the transitional period from peace to war. SACEUR and SACLANT had compiled a list of alert measures based on this procedure. These were so designed that each alert on declaration would cause certain actions to be taken. The Simple Alert required the taking of measures to ensure the prompt implementation of the Reinforced Alert. The Reinforced Alert meant the taking of measures to place NATO Commands in the best possible position to meet any attack, and the General Alert required measures to be taken on the outbreak of hostilities. The Supreme Allied Commander would declare a Simple Alert on receipt of credible information indicating definite preparations for an attack against any element of NATO and Austria. The Reinforced Alert would come into effect if there were conclusive indications that hostilities were imminent and the Gen-

eral Alert would be initiated in the case of an overt act of aggression against the North Atlantic Treaty area.

The three Services had examined and were prepared to recommend acceptance of SACEUR's and SACLANT's Alert Measures in so far as they reflected the participation of Canadian military forces as agreed under the North Atlantic Treaty. No special measures had been designated for the Canada-U.S. planning group since instructions would be issued to Canadian and U.S. authorities on a national basis, but proposed measures for use in Canada on the declaration of an alert by the government had been drawn up.

It was assumed that the most likely attack against Canada would be launched from the air, and in this case immediate action would be necessary to bring the Air Defence Forces up to full operational strength as rapidly as possible. The Air Defence Commander had been previously authorized by the Committee to engage apparently hostile aircraft. In the Simple Alert phase, it would not be necessary to call out reserve force units but should that phase remain in effect for a period of time, some reserves might be needed. On the Reinforced Alert, however, as shown in the draft Canadian measures, the calling out of some units was recommended. An examination of these draft alerts revealed that there was only one step which could not wait the authority of the Governor in Council. This was the calling up of reserves on a declaration of a Reinforced Alert.

Normally, it was expected that the Cabinet or the Cabinet Defence Committee would authorize the calling of an alert but under extraordinary circumstances it was expected this authority would be delegated to the Minister of National Defence. To implement the system proposed, it was suggested that the Government War Book be revised and brought into line with a suggested revision of the National Defence Chapter of the War Book which had been based on the three-phase Alert procedure.

He recommended that the NATO Alert Measures, proposed by SACEUR and SACLANT, be accepted; that the revised National Defence chapter of the 1948 Government War Book be approved; that the three-phased system of alerts be approved for use in Canada; and that the Minister of National Defence be authorized to call up specified reserve forces on the declaration of a reinforced general alert if the War Measures Act was not in force.

An explanatory memorandum had been circulated.

(Minister's memorandum, April 6, 1955 — Document D11-55).†

2. *In the course of discussion*, the following points emerged:

(a) Most senior public servants concerned with War Book planning had considered the Alert Measures submitted and, in general, recommended that they be approved. They recognized that the proposals did not go into the details of civil defence planning and that the problem of who would call an Alert for the civilian population had not yet been solved. The suggestions made and the interdepartmental discussions would not prejudice the results of the talks now being held with the U.K. and the U.S. authorities regarding the rapid exchange of information necessary for the calling of an Alert. The Department of National Defence was ready to establish a system in Canada for this exchange of indications once general agreement had been reached with the U.K. and the U.S.

(b) The importance of the NATO Alert measures arose from the presence of Canadian troops in Europe and the U.K. who might be subjected to certain procedures abroad which did not immediately and directly affect Canadian forces at home.

(c) Under normal conditions it was expected that the Cabinet or the Cabinet Defence Committee would authorize the calling of an Alert, but it was recognized that, under extraordinary circumstances, the Cabinet or the Cabinet Defence Committee might not be

readily available to consider such action and therefore arrangements should be made for the Minister of National Defence, or, in his absence, any Minister, to call an Alert. This matter, however, along with the many others which the submission raised, should be spelled out in detail in the Government War Book. The Book should contain details of the circumstances under which an Alert should be declared and the action which a Minister may be called upon to exercise on its declaration and thereby enable whatever Minister would be exercising that responsibility to be fully aware of the implications of the action.

(d) It might, at this stage, be desirable only to approve in principle, and as a basis for future planning, the Canadian Military Alert measures, and to have them brought forward to the Committee at a later date when the redrafting of the War Book had been further advanced. At that time, specific references should be made in these measures to the legal authority, or the lack of it, for the individual steps proposed. If such statutory authority was not available and the measures concerned were considered vital, it might be necessary to introduce in Parliament the appropriate legislation. For example, the Department of National Health and Welfare did not have authority at the present time to control illumination. The present War Book was, however, completely out of date. Revising it was a large undertaking and it would be some time before a modern version together with the suggested annotated Canadian Alert measures could be brought forward for consideration.

(e) In order that there be no doubt as to the extent of the calling up of reserves and what units would be involved, a list would be prepared and revised each year to keep it up to date. The Simple Alerts included measures to be taken only by the government and the Services and had been designed not to alarm the public. On a Reinforced Alert, however, reserves would have to be called out, and it was certain that the public would soon know an emergency or near emergency existed.

(f) Canada would accept its responsibility for the part it had to take in the North American warning system, including the possible calling of an Alert. But in planning and in discussing problems with the U.S., the Americans could not expect to be allowed to comment on, or criticize, or seek to make us justify the methods adopted for carrying out that responsibility. The Interdepartmental Committee established in December to review civil defence was grappling with the problem of who might declare an emergency and order the evacuation of populated centres. The Committee recognized the danger that if the U.S. moved ahead of us there might be panic in Canada and similarly if Canada called an Alert first there might be panic in the U.S. It would probably therefore be necessary to co-ordinate the plans of the two countries. There was no objection to this but it would be undesirable if the Americans attempted to ascertain in detail how we proposed to fulfil our role.

3. *The Committee* noted the report of the Minister of National Defence on measures to be taken on and after warning of an attack, and:

(a) agreed to recommend that the NATO Alert measures proposed by SACEUR and SACLANT, as submitted, be approved; and

(b) agreed that the Canadian Military Alert measures, as submitted, be approved in principle as a planning basis for the revision of the 1948 Government War Book; it being understood that these measures with references to the legal authority, or to the lack of it, for the individual steps proposed, be re-submitted for discussion at a subsequent meeting at such time as the revised War Book was under consideration; and

(c) agreed to recommend that the Minister of National Defence be permitted to call out a specific number of reserves on a Reinforced Alert, or on a General Alert if the War Measures Act were not in force, the number and character of reserves to be called out to be authorized on a yearly basis.

...

SECTION B

ACCORD TRIPARTITE SUR LES ALERTES
TRIPARTITE ALERTS AGREEMENT

168.

DEA/50030-AB-4-40

*Le sous-secrétaire d'État aux Affaires extérieures
au haut-commissaire au Royaume-Uni**Under-Secretary of State for External Affairs
to High Commissioner in United Kingdom*

LETTER D-122

Ottawa, January 25, 1955

TOP SECRET

Reference: Your telegram No. 14 of January 6, 1955.†

"ALERT" PROCEDURES

Mr. Dulles and Sir Anthony Eden both spoke to the Minister in Paris before his return to Canada on December 19 about their concern over the problem of "alert" procedures by which action could be coordinated in an emergency, reserving all the rights of governments but permitting the military to make quick decisions. As Eden may wish Sir Norman Brook to discuss with you the next steps which might be taken, I am writing to give you the substance of Mr. Pearson's conversations and a brief account of the background.

2. Mr. Dulles, who saw the Minister first, thought that the formula which had been worked out at the Ministerial meeting of the North Atlantic Council in regard to military planning for the use of atomic weapons was a good one, and that the unanimity revealed on this matter was encouraging, especially in view of the unfortunate and tendentious press speculations which had preceded the meeting.³² He was worried, however, about the possibility of subsequent discussion in the Council as to how the governments would exercise their right of decision in regard to the use of atomic weapons if an emergency developed. He felt that such a discussion would likely not be helpful and might be dangerous. It simply was not possible to work out in advance an agreement between fifteen nations on a subject of this kind which would cover every situation. The constitutional difficulties, for instance, which would prevent governments delegating powers in such a vital matter, could not be discussed publicly without giving aid and comfort to a potential aggressor.

3. Mr. Dulles admitted that there might have to be some understanding reached with the powers principally concerned, notably the United Kingdom, France and Canada, as to the procedure which should be followed for making quick and necessary decisions if an emergency developed. He thought, however, that any such arrangements should be kept very secret, and that NATO Council discussion of these matters, let alone public discussion, should be discouraged.

4. Mr. Pearson told Mr. Dulles that he was inclined to agree because it was practically impossible to reconcile constitutional positions with practical necessities in a case of this kind; that in any event developments would determine decisions and probably in a way which could not now be foreseen. Mr. Pearson went on to say that there were two things

³² Voir volume 20, les documents 381 et 382.

See Volume 20, Documents 381 and 382.

which we should do: first, by continuous consultation keep our policies in alignment, especially if the political situation should deteriorate, and, secondly, agree if possible on "alert" procedures so that the military would know what had to be done in an emergency.

5. Sir Anthony Eden, when he called on the Minister, also expressed anxiety about the effects of any public discussion of this matter. Unlike Mr. Dulles, however, he thought that studies should begin at once to see if satisfactory arrangements could not be agreed on. He was emphatic that the first examination of the problem should be by the United Kingdom, the United States and Canada alone. He was going to ask Sir Norman Brook to apply his mind to a solution. They would then take the matter up with Washington and Ottawa in the hope that the three governments could agree on plans. Only then would they discuss it with the French, and later with the other NATO members. He felt that the procedure adopted in regard to the formula for reconciling the necessities of military atomic planning with the ultimate responsibilities of governments for decision could usefully be applied to this other problem.

6. Mr. Pearson told Sir Anthony that we had already worked out some technical arrangements with the United States in regard to emergency action in North America and that this might be looked at in regard to a more general application. Eden said that they would be very grateful if you could tell them something about this. In view of your familiarity with this aspect of the problem I shall do no more here than touch on the main points.

Bilateral Arrangements between the United States and Canada

7. The United Kingdom authorities are of course aware that the arrangements for "meetings of consultation" in Washington to exchange views on developments in the world situation which might necessitate the use of atomic weapons, made with them following Mr. Attlee's visit in December 1950, were made also with us. We would have preferred trilateral meetings, and we understand that the United Kingdom Ambassador was also instructed in 1951 to do his best to place these consultations on a tripartite basis. The United States Government, however, preferred to have two sets of bilateral consultations on the ground that trilateral meetings might be misunderstood by other governments, particularly the French.³³

8. We told the United States at the time that if separate bilateral discussions were continued we would wish to complete the triangle by consultation with the United Kingdom, and no objection was raised. The United Kingdom Government authorized its Ambassador in Washington to discuss fully with our Ambassador his consultations with the United States Government on the subject of atomic warfare. The United States Government has been aware that except on matters of North American defence the United Kingdom and Canadian Ambassadors have followed the practice of comparing notes after each consultation, and the State Department has accepted this without question. It has always been understood, of course, that no information about these discussions should be given to any government other than the three governments concerned.

9. These "meetings of consultation" have provided a good informal channel through which we gain access to the thinking of United States political and military authorities at a high level, and we believe that we should continue to make use of them whenever the occasion demands. We have always assumed that they take place within the framework of the responsibilities assumed by the United States for the principal strategic air offensive of

³³ Voir volume 17, les documents 685 et 690.
See Volume 17, Documents 685 and 690.

Allied powers and the arrangements for tripartite collaboration in the field of atomic energy.

10. The other arrangements which we have with the United States concern the handling of requests for permission to make use of facilities in Canadian territory or to fly over Canadian territory in connection with the employment of atomic weapons. No public announcement has been made about these arrangements comparable to the statement which has been made several times that the use of the United States Air Force bases in the United Kingdom in an emergency "would be a matter for joint decision by Her Majesty's Government and the United States Government in the light of the circumstances prevailing at the time." They have, however, been worked out in considerable detail.

11. An Order-in-Council (P.C. 2307 of April 17, 1952) sets out in general terms the regulations governing flights of United States service aircraft over Canadian territory. Related to the Order-in-Council, but not forming a part of it and therefore not subject to the requirement that Orders-in-Council be tabled and published, are two schedules. These contain the procedures to be followed for clearing normal service flights (Secret) and flights of Strategic Air Command aircraft involving the movement of atomic weapons (Top Secret). Technical arrangements designed to ensure that an urgent request by the United States Government could be considered with a minimum of delay by the Canadian Ministers concerned have been worked out and tested. In making these arrangements our object has been to maintain the responsibility of the Government of Canada in connection with any operations which may be launched from or through Canadian territory, while avoiding administrative procedures which might impede the United States Air Force in the discharge of its responsibilities under collective defense plans. The procedures are known only to a restricted number of ministers and officials of the two governments directly concerned. You should of course make this clear in any discussion of them with Sir Norman Brook or other United Kingdom officials.

The Problem of Alerts in NATO

12. In 1951 the Supreme Allied Commander, Europe, produced an outline of alert measures as an annex to his emergency defence plan and sent it to the Standing Group with a request that it be presented to governments for early approval. Pending approval, SACEUR stated that he would consider its provisions valid within his command. The annex was included in his emergency defence plan for 1952 and again for 1953 without having been formally approved. A similar annex was included in the emergency defence plans of the Supreme Allied Commander, Atlantic.

13. In May 1953 the Standing Group produced a document [S.G. 129/4 (Final)] which purported to approve SACEUR's annex, with certain amendments, and set forth general principles regarding alerts and the measures to be taken to implement them. At the same time the Standing Group directed SACEUR, SACLANT, Channel Command and the Canada-United States Regional Planning Group to approach national authorities with a view to:

(a) obtaining their agreement to delegate authority in advance to approved commanders to implement appropriate measures of the Simple Alert in the event of such an alert being declared in an emergency, without prior political authority;

(b) coordinating arrangements for the immediate implementation of appropriate alert measures in the event of an alert being declared in accordance with approved NATO procedures.

SACLANT, Channel Command and the Canada-United States Regional Planning Group were also directed to revise their alert measures to conform to the principles set forth in S.G. 129/4 (Final), and submit them to the Standing Group for consideration.

14. The Standing Group sent their document to the Secretary-General "for the Council's consideration", with a request that procedures be established which would ensure prompt action by the permanent representatives should a recommendation be submitted by the Standing Group or a supreme commander that an alert be declared. The Council, however, proceeded to assume that its approval was being sought, and the Standing Group did not demur. After making certain amendments to the document, the Council, on July 1, 1953:

(a) approved S.G. 129/4 (Revised Final) as a basis for negotiations between supreme commanders and national authorities;

(b) noted that during the bilateral negotiations the supreme commanders would have to act in accordance with S.G. 129/4 (Revised Final) in the absence of any other instructions, but that certain members of the Council were not yet in a position officially to endorse this procedure;

(c) reserved the right to examine this document again should they consider this to be necessary after receiving a report by the Standing Group on the negotiations between supreme commanders and national authorities.;

S.G. 129/4 (Revised Final) prescribes three stages of alert:

(a) **SIMPLE**—preparatory military measures which will ensure the prompt implementation of the Reinforced Alert, without seriously compromising or disclosing the overall operational plan;

(b) **REINFORCED**—measures necessary to place NATO commands in the best possible position to meet an attack, to be initiated only if there are conclusive indications that the outbreak of hostilities is imminent;

(c) **GENERAL**—measures which will be necessary when actual hostilities have commenced.

15. The document recognizes that each government reserves to itself the authority to commit its nation to war. It also recognizes that if any appreciable period of time were to mark the transition from peace to war there would normally be sufficient time to get agreement from political authorities to authorize major commanders to implement the required preliminary measures. The Standing Group or the appropriate supreme commanders concerned would seek this political guidance from the permanent representatives to the Council through the Secretary-General. In a sudden and extreme emergency, however, where there was insufficient time to obtain political guidance through the Council, it was envisaged that:

(a) supreme commanders and their immediate subordinate commanders should be authorized to declare the **SIMPLE** Alert, without waiting for political authority, and to direct the implementation of the measures necessitated by this alert within the framework of agreements previously reached between the governments concerned and commanders;

(b) supreme commanders should be authorized, in consultation with the Standing Group and with the approval of the individual governments concerned, to declare the **REINFORCED** Alert;

(c) in the event of an overt act of armed aggression taking place anywhere in the NATO area, supreme commanders should be authorized to call upon commanders of national forces and upon national authorities to implement such of the **GENERAL** Alert measures as they deem necessary in the appropriate areas of their commands.

16. The Council expressed the hope in July 1953 that the bilateral negotiations would be concluded and the results reported within three months. In fact they have not yet been concluded. The Council was informed in March 1954 that SACEUR estimated that they would not be completed so far as his command was concerned before early 1955; SACLANT and the Channel Command could make little further progress until SACEUR's discussions reached a more advanced stage. The Canada-United States Regional Planning Group informed the Standing Group in September 1953 that an alert plan for the Canada-United States Region was unnecessary, in the absence of a supreme commander, since the necessary instructions would be issued on a national basis.

17. At present, therefore, the formal position is that political authority will be obtained through the Council if time permits; that in a sudden and extreme emergency the supreme commanders and their immediate subordinate commanders have authority to declare the Simple Alert on their own responsibility; that supreme commanders alone have the authority in such an emergency, in consultation with the Standing Group and with the approval of governments concerned, to declare the Reinforced Alert; and that supreme commanders also have the authority, in the event of an overt act of armed aggression, to call upon national forces and national authorities to implement such General Alert measures as they deem necessary in the appropriate areas of their commands. All these delegated powers, however, are limited by the agreements previously negotiated or to be negotiated between the governments concerned and the NATO commanders.

18. The Canadian representative concurred in the Council's decision of July 1, 1955. He made it clear to the Council, however, that while he could accept S.G. 129/4 (Revised Final) as a basis for negotiations between the supreme commanders and national authorities, the Canadian view was that final approval of the document should only be given after the bilateral negotiations had been brought to a successful conclusion.

19. SACEUR's and SACLANT's detailed proposals regarding alert measures have been under study in Ottawa for some time, but they have not yet been considered by Ministers and we are consequently not in a position to say when or to what extent they will be accepted. One difficulty, which you will readily appreciate, is that some of the alert measures proposed by the supreme commanders could be implemented only if the War Measures Act were invoked. While there is unlikely to be any serious dissent from the principle that procedures for moving to a state of war should be standardized, both nationally and within NATO, this and other difficulties of a practical nature remain to be solved.³⁴

The Problem of "Indicator Intelligence"

20. There is a further and related question concerning "alerts" which has not yet been dealt with satisfactorily either in NATO, or between ourselves, the United States and United Kingdom authorities. It seems clear that however satisfactory a procedure may be worked out for dealing with "alerts" that procedure depends fundamentally on an assessment of the information which leads to any given "alert". We suspect that it is the problems surrounding this question which have led Sir Anthony Eden to be so emphatic about urging a tripartite agreement between London, Washington and Ottawa before going further.

21. The Chairman of the Ottawa Joint Intelligence Committee has been in communication with the Chairman of the London Joint Intelligence Committee in an effort to obtain United Kingdom views. We have not yet approached Washington on the problem. At least in part as a result of this preliminary correspondence, the London Joint Intelligence Committee discussed the question of "alerts" and its relation to intelligence at a meeting on

³⁴ Voir/See Document 166.

December 23, 1954. Although we have not seen the papers on which the discussion was based, the following quotation from the Minutes may be of assistance to you in any discussions you have with Sir Norman Brook and other United Kingdom officials.

“Mr. Dean said that it was clear from the discussions which had taken place in Paris that it would be necessary at the earliest possible stage to examine the machinery whereby an agreed U.S./U.K./Canadian evaluation of urgent indicator intelligence could be reached and passed to the highest political levels in all three countries. The first step, however, was carefully to study the present system of handling alerts in the U.K. which was not by any means clear. This study was a necessary preliminary to any discussions with the Americans and Canadians. The urgent need for closer coordination was accentuated by the changes the Americans proposed to make in their Watch Committee system, which had been covered in a recent Secretary’s minute.

“In discussion it was agreed that an examination of the U.K. system was required which would high-light any weaknesses or deficiencies and recommend measures to correct them.”

22. The following quotations from the minutes of the first meeting in January are also relevant:

“The Committee had before them a minute by the Secretary referring for their consideration the decision of Director of Intelligence that the U.K. system of evaluating urgent indicator intelligence should be examined and that recommendations should be made for correcting any weaknesses or deficiencies in the system. The minute also suggested that they should defer consideration of the question of instructing Ambassadors and Commanders in Chief overseas regarding the transmission of warning of attack to NATO until after the above examination had been completed.

“After further discussion the following points were agreed:

(a) The principle of an agreed JIC view was confirmed. The present procedure was adequate to cope with an attack which broke out after a protracted period of mounting political tension. It was doubtful if the evaluation machinery would work rapidly enough if it was a question of obtaining a Ministerial decision within a matter of hours from receipt of the intelligence in London.

(b) ‘Evaluation machinery’ as at present understood would be quite unable to cope with a warning of attack of less than one hour. The question of obtaining a Ministerial decision as a result of such a warning was, anyway, entirely academic

(c) If we wished the Americans to allow us to maintain a working liaison with their Indications Centre, in order that we might inject words of caution into its counsels, we must be able to show we had a similar or at least equally efficient method of dealing with indicator intelligence. For this reason alone some formalized emergency arrangements were required.

(d) One of the most important decisions to be taken was at what steps a warning of attack should be expressed laterally to authorities outside the intelligence machine. The level at which this was done would depend on whether it could be emphatically ensured that no precipitate operational action would follow i.e. before authorization had been received from Ministers.

23. From a preliminary examination here of the problems involved, it seems clear that the United States Air Defence Command has been bringing aircraft (including those of the Canadian Air Defence Command) to various degrees of readiness without telling us precisely the information which has led them to take such action. It is, therefore, important that the Joint Intelligence Committee in Ottawa should have available to it both from

London and Washington by the most rapid means possible all information of a kind which might lead to an "alert" so that an intelligence assessment of the information may be made here. If arrangements of this kind cannot be made we shall, of course, be at the mercy of the operational commands both in the United Kingdom and the United States.

24. By the same token one wonders on what basis NATO commands will call "alerts" under the current agreed procedures. Most of the intelligence which they receive now is in the form of contributions made by national intelligence organizations. So far as we know, such intelligence is evaluated before it goes to NATO commands but even so it seems clear that NATO commands will be inevitably at the mercy of the principal intelligence organizations of NATO, namely, the United States and the United Kingdom. There is additionally some danger that they may receive intelligence from the United Kingdom or the United States authorities in the field in Europe which will be passed to them laterally before the information has been properly evaluated in London and Washington.

25. In this connection we have been interested to learn from Mr. Wilgress that, according to Sir Christopher Steel, one of the suggestions under consideration in London was that the responsibility for coming to a decision as to the reality of an all-out attack should rest with the two Senior Intelligence Officers in Germany of the United Kingdom and the United States. When these two officers were satisfied of the reality of the threat, they would send a pre-arranged signal to their respective capitals whereupon the two Heads of State would come to the crucial decision. This suggestion is clearly at variance with the procedure discussed in the United Kingdom Joint Intelligence Committee and with our own thinking on the problem.

26. It is, of course, possible that the NATO commands themselves may receive some indication from their own sources of a situation which would lead to an "alert" but on the whole this seems unlikely.

27. This question is not one which can readily be discussed in NATO, but if agreement could be reached tripartitely between the intelligence organizations in Washington, London and Ottawa, this should go a long way to ensure that NATO commands receive properly evaluated intelligence at least from the national staffs of the two countries with the best developed intelligence services.

28. The Minister has seen and approved this letter.

JULES LÉGER

169.

DEA/50030-AB-4-40

*Document de travail**Working Paper*

TOP SECRET

POSSIBLE STAGES OF ACTION WHEN INDICATIONS OF MAJOR RUSSIAN
AGGRESSION ARE RECEIVED IN GOOD TIME³⁵*Introduction*

This paper deals only with the situation which would arise from a major Russian aggression against the North Atlantic Treaty Organisation (NATO) area including Turkey. Major aggression by the Communist *bloc* is possible in other areas and suitable procedures would be required to meet these cases but it would be convenient to consider them separately.

2. This paper sets out the stages which ought to be completed if time allowed. It is recognised that time may not be available for this and that a telescoped procedure will also have to be studied.

Part I

3. Information is received at the London Indicator Centre (which would be the present Joint Intelligence Committee (J.I.C.) organization suitably adapted) which could mean that the Soviet Union is making preparations for war.

4. The Indicator Centre finds out from the Indicator Centres in Washington and Ottawa whether the same or similar information has reached it. Thus "indicator" experts of the United Kingdom, United States and Canada are fully in touch with each other on the matter.

5. J.I.C. Action

(a) *Routine Evaluation.* The information is evaluated by the Directors of Intelligence on the J.I.C. in their weekly review which is submitted to the Chiefs of Staff and to Ministers.

(b) *Urgent Evaluation.* Special meetings are called and the report is passed to:

(i) Chiefs of Staff

(ii) Secretary of the Cabinet

(iii) Permanent Under-Secretary, Foreign Office

(iv) The Americans and Canadians, whose own estimate is requested. Exchanges of information with the Americans and Canadians will be carried out directly between the Indicator Centres (J.I.C. in the United Kingdom).

The procedure for summoning all officers and officials concerned at short notice at any time during the day or night is being reviewed and will be tested from time to time.

³⁵ Note marginale :/Marginal note:

Note for File: This is a U.K. working paper and was handed to the Under-Secretary in London during the Commonwealth Prime Ministers' meeting. It was probably produced in Dec. 1954. J.M. T[eakles]

Aucun compte rendu d'un entretien anglo-canadien sur cette question pendant la réunion des premiers ministres n'a été trouvé, sauf le bref renvoi dans le document 241.

No record of any Anglo-Canadian discussion on this subject during the Prime Ministers' meeting was found except for the brief reference in Document 241.

6. Operational staffs of the Services are alerted.
7. The Chiefs of Staff report to the Prime Minister (as Chairman of the Defence Committee). The Minister of Defence, the Foreign Secretary and Service Ministers are informed as members of the Committee as are other Ministers concerned, e.g., the Commonwealth Secretary and the Home Secretary.
8. By direction of the Prime Minister, the Cabinet or the Defence Committee consider the report.
9. The Prime Minister or the Foreign Secretary sends a message to the United States President or Secretary of State and to the Canadian Prime Minister or Secretary of State for External Affairs, giving the United Kingdom assessment of the situation, asking for theirs and discussing possible action.
10. Meanwhile, the J.I.C. consider, after consulting their American and Canadian opposite numbers, how much of the intelligence received can be passed to our other Allies and in what form, without prejudicing security or our intelligence methods. We should wish to pass it particularly to the "old" Commonwealth Governments and also to NATO Governments, so that the latter may be in a position to authorise the calling of a Simple Alert and other appropriate measures as required. (A Simple Alert denotes bringing NATO forces to a state of combat readiness including bringing formations on the Continent up to strength and taking precautions against surprise attack).
11. Meanwhile, the Cabinet will be keeping the situation under constant review and will have in mind not only the likelihood of the outbreak of war but also all possible means of averting it, for instance by diplomatic exchanges with friendly Governments, by direct representations to the potential enemy and by action in the United Nations. At the same time the Cabinet will consider how widely United Kingdom authorities should be informed of the situation.

Part II

12. If the United Kingdom/United States/Canadian Governments come to the conclusion that war probably cannot be averted or that for other reasons proposals for action should be put to friendly Governments, the procedure would be as follows. The United Kingdom Government approach other Commonwealth Governments at the appropriate times. The United Kingdom and United States Governments, in agreement with Canada, approach the French Government giving them their estimate of the situation, proposing action and asking them to join in approaches to the other members of NATO. If the French agree, tripartite approaches are made accordingly through diplomatic channels in the capitals concerned. If the French disagree, or fail to make up their minds within a certain time, the United States and United Kingdom proceed nonetheless. All the NATO countries are asked to send instructions to their NATO representatives in Paris, and all exchanges in the various capitals are repeated to these representatives.
13. Great care will have to be taken over security of all types and especially over communications.
14. NATO Council meet and authorise alert measures. SACEUR will no doubt receive his instructions from the Council; other Commanders should receive theirs through the Standing Group. The Commanders issue the necessary orders.
15. If it eventually becomes clear that the outbreak of hostilities is imminent, NATO Governments will consider authorising the "Reinforced Alert" (maximum preparations to repel an attack).

17.[sic] The foregoing procedure applies to action taken with Commonwealth and NATO Governments. Appropriate action will be required in regard to the Middle East, South East Asia and the Far East.

NOTES

1. If the above procedure is to be effective, arrangements will have to be made to ensure that the physical communications, particularly those across the Atlantic, will operate with the utmost speed and efficiency at any moment. An examination should be made by experts to ensure that this is so.

2. The NATO systems of intelligence evaluation and Alerts should in due course be examined, and adjusted where necessary, so as to ensure that there is no conflict between them and procedure which may be adopted by the United States, United Kingdom and Canada as contemplated in this paper. If there is discussion of NATO systems in the NATO Council, the United Kingdom, United States and Canadian representatives should be instructed to try to avoid prejudicing any separate United Kingdom/United States/Canadian procedure.

170.

DEA/50028-BX-40

*Le haut-commissaire au Royaume-Uni
au secrétaire d'État aux Affaires extérieures*
*High Commissioner in United Kingdom
to Secretary of State for External Affairs*

TELEGRAM 195

London, February 14, 1955

TOP SECRET

Reference: Your telegram No. 124 of January 4.†

Following for Crean from Robertson, Begins: You will have received from Mr. Pearson and Mr. Léger copies of the United Kingdom Working paper about which Mr. Pearson and Sir Anthony Eden had some conversation last week. I have told Caccia and Dean that I thought the paper should be generally acceptable to us and that I expected to be able to confirm our Minister's comments in writing after he had had a chance to study its implications in Ottawa. In the meantime I also said I thought that though it was useful for us for our own domestic purposes to have this detailed breakdown of United Kingdom internal procedures, it might confuse the projected discussions with the Americans to begin with such an elaborate and itemized paper. The same criticism was probably applicable to the parts of the paper which spelt out in some particularity the procedures contemplated for communicating with other governments. Caccia and Dean agree that a revision of their paper in this sense should make it a more acceptable basis of discussion with the United States.

2. If the Minister would like to confirm or qualify these comments or add any other observations that have occurred to people in Ottawa it would be helpful if he could do so before the end of this week, because Eden is leaving for Bangkok on Saturday and has it in mind that he might open up the subject with Dulles while they are there together.

[N.A.] ROBERTSON

171.

DEA/50028-BX-40

*Le secrétaire d'État aux Affaires extérieures
au haut-commissaire au Royaume-Uni*

*Secretary of State for External Affairs
to High Commissioner in United Kingdom*

TELEGRAM 290

Ottawa, February 17, 1955

TOP SECRET. IMMEDIATE.

Reference: Your telegram No. 195 of February 14.

Following for Robertson from Léger, Begins: The Minister's comments on United Kingdom working paper are substantially on the lines set forth in your telegram. In particular, he feels it would be unwise to make any references to informing Commonwealth Governments. He also had some worry about whether the J.I.C. organization had sufficient people to undertake this sort of task. We have, however, had a word with the Chairman, Chiefs of Staff, and he is of the opinion that a few extra officers might be found to undertake this work, at least in so far as really important items of intelligence are concerned. Even under present circumstances, we could by giving such items priority, take part in the procedure envisaged by the paper.

2. At the official level we believe that the consequences of failing to take part in such a procedure might leave us in the position that the Government might have to take a decision without full knowledge upon which such a decision should be based. In addition, by failing to take part we might also be left in a worse position on the exchange of intelligence than we are at the present time.

3. The Chiefs of Staff will consider the paper on Friday but meanwhile General Foulkes has told us that his chief worry about the paper is whether or not Part II of it cuts across the already agreed system of NATO alerts.

4. We should like to have the opportunity of seeing the revised paper before it is put to the Americans. We should also like to have it approved by the Chiefs of Staff and by Cabinet Defence Committee. Although, therefore, you are free to say that we think a paper on these lines, taking into account Minister's comments, would probably be acceptable, we will not be able to accept it formally until the new draft has been approved in accordance with the procedure outlined above.

5. There is one additional point on which you might question the United Kingdom officials. As you know, the J.I.C. has been exchanging with the Americans and the British information which goes much beyond matters which directly affect Russian aggression against the NATO area. We are not very clear why the British wish to confine this paper to the NATO area on the one hand and to *Russian* aggression on the other. We are, as you know, equally interested in any information on possible communist aggression any where, including possible Chinese communist aggression. It occurs to us, however, that the United Kingdom may be anxious to limit this paper to the NATO area for tactical reasons with the Americans, bearing in mind United States sensitivity on Far Eastern questions. Some explanation would be useful.

6. Incidentally, there is no paragraph 16 in the document in our possession. Is this an error in numbering or has a paragraph been left out?

172.

DEA/50028-BX-40

*Le haut-commissaire au Royaume-Uni
au secrétaire d'État aux Affaires extérieures*
*High Commissioner in United Kingdom
to Secretary of State for External Affairs*

TELEGRAM 249

London, February 28, 1955

TOP SECRET. IMMEDIATE.

Reference: Your telegram No. 290 of February 17.

Following for Léger from Robertson, Begins: My immediately following telegrams contain the texts of two letters, dated February 26, from Patrick Dean to whom I had given a copy of your telegram under reference. The first deals with the substantive questions you raised about the United Kingdom paper. The second sets forth present United Kingdom thinking as to how and when the general question could best be raised with the United States. They leave it to us to say whether we think our Ambassador or theirs should make the first approach to Mr. Dulles. In the circumstances, and having in mind the history of the paper, I expect you will feel that it would be more appropriate for the United Kingdom Ambassador in Washington to open up the subject.

2. I note that Dean's letters do not refer to your paragraph 6. The answer is that there was an error in the numbering of the paragraphs in the United Kingdom draft paper of which you have a copy. Ends.

173.

DEA/50028-BX-40

*Le haut-commissaire au Royaume-Uni
au secrétaire d'État aux Affaires extérieures*
*High Commissioner in United Kingdom
to Secretary of State for External Affairs*

TELEGRAM 250

London, February 28, 1955

TOP SECRET. IMMEDIATE.

Reference: My immediately preceding telegram No. 249 of February 28.

Following for Léger from Robertson, Begins: Following is text of first letter from Dean, referred to in paragraph 1, Begins:

"We have considered the telegram on "alerts" (No. 290 of February 17) which you handed to me the other day and we find ourselves in general agreement with the comments contained therein.

2. We agree that it would be wiser to remove all references to informing Commonwealth Governments, and this can be done by excising the relevant words in paragraphs 10, 12 and 17 of our paper without affecting the general sense. We would not, of course, regard this as limiting our right to consult and inform Commonwealth Governments. The Americans know that this is our practice, and we agree that there is no point in making specific mention of it in the present context.

3. In our J.I.C. we have similar problems of staffing and it may be that these will present difficulty when we come to elaborate a really fast procedure. But the problems should

present themselves clearly when we start examining a high speed drill together and we are confident that we can overcome them, as no doubt your J.I.C. can.

4. We do not think that the procedure outlined in our paper is incompatible with the NATO system of alerts. The whole object of our present exercise is to elaborate a practical and speedy procedure which would work independently, but in support, of the NATO alert system. The NATO alert system is in any case to be overhauled and our representatives will no doubt be able to influence the discussions in such a way as to reduce any conflict with our own private procedure to the minimum.

5. I agree with you that the omission of any reference in the paper to the Middle East and Far East is sufficiently explained in the text. We intend to produce a parallel procedure for these areas in due course, but we feel that, as a matter of tactics, initially it is better to secure American agreement within the context of NATO out of which the present exercise first arose. If it is presented to the Americans as something springing directly, as it in fact did, from the last Ministerial meeting in Paris, it should be possible to restrict discussion to the NATO angle. Moreover if we can work out a good procedure for NATO with the complications introduced by the existence of SACEUR, etc., we would expect to be able to make satisfactory arrangements for other theatres, which are at least no more complicated." Ends.

174.

DEA/50028-BX-40

*Le haut-commissaire au Royaume-Uni
au secrétaire d'État aux Affaires extérieures*

*High Commissioner in United Kingdom
to Secretary of State for External Affairs*

TELEGRAM 251

London, February 28, 1955

TOP SECRET. IMMEDIATE.

Reference: My telegram No. 249 of February 28.

Following for Léger from Robertson, Begins: Following is text of second letter from Dean, referred to in paragraph 1, Begins:

"I have written to you today on the substance of the "alerts" question raised in Ottawa telegram No. 290 of February 17. We have also given thought to the best method of proceeding with this matter with the Americans after our two governments have reached agreement on the draft paper which we have been considering for the last few weeks. It may be more convenient if I set out our ideas about procedure in a separate letter.

2. It seems to us that it would probably be unwise for our two governments to make a joint approach to the Americans in Washington because we do not wish to give them the impression that you and we have reached definite agreements on this complicated problem before consulting them. Since our object is to reach eventual agreement among the three governments we think that, now we have both run over the ground together, the sooner tripartite discussions can begin the better.

3. Our suggestion therefore is that the United Kingdom and Canadian Ambassadors should make separate approaches in Washington to Mr. Foster Dulles. They could recall the discussions which took place in Paris after the NATO meeting in December and say that their governments think that the time has come to begin tripartite discussions of the problem, that Washington would be the best place in which to carry on these discussions

and that as soon as the other two governments are ready talks could be opened on a tripartite basis.

4. The Ambassadors could also say that, as the problems involved are both political and military, it would probably be convenient if both political and military representatives should take part. So far as we are concerned we should certainly wish our Ambassador to keep in close touch with General Whiteley, the Head of the B.J.S.M. We do not know which Americans are likely to be concerned, but presumably both Mr. Allen Dulles and the Pentagon would have to be brought in at an early stage.

5. We also think that it might be useful to ask Makins when he sees Mr. Dulles to say that the United Kingdom had been giving some thought to the whole problem and had prepared a draft paper for discussion which could either be tabled when the tripartite discussions began or could be circulated in advance to the Canadians and the Americans if this were thought to be more convenient. We should of course have no objection to your Ambassador mentioning the draft paper, if your government wished, but it seems to us that perhaps it would be more convenient for Makins to make the first reference to it because the paper as at present drafted is written very much from the United Kingdom point of view.

6. We also think that either Makins or your Ambassador or both should mention to Mr. Dulles that the United Kingdom and Canadian Governments took advantage of Mr. Pearson's presence in London for the Commonwealth Conference to have a preliminary talk about some of the problems involved. This would we think help to get over the difficulty mentioned in paragraph 2 above.

7. Finally we think that the point should be made to the Americans that the ideas contained in the draft paper only covered the stages to be completed if time allowed and that it would be very desirable, if the Americans agreed, to work out an urgent or "telescoped" procedure among the three parties.

8. If your government agree with some such procedure as this, it remains to decide whether it would be better for Makins or your Ambassador to make the first approach to Mr. Dulles. We have an open mind on this question and are ready to fall in with whichever course your government prefers. In any case our two Ambassadors will have to keep closely in touch until tripartite discussions get under way.

9. There may be points about this proposed procedure which you would like to discuss with me. If so I am very ready to come over and see you at any time convenient to you. If, as I expect, you will wish to refer to Ottawa, it would be helpful if you could ask for a reply soon, as we think that we should try to begin tripartite talks in the near future." Ends.

175.

DEA/50028-BX-40

*Le secrétaire d'État aux Affaires extérieures
au haut-commissaire au Royaume-Uni*

*Secretary of State for External Affairs
to High Commissioner in United Kingdom*

TELEGRAM 411

Ottawa, March 10, 1955

TOP SECRET

Reference: Your telegrams Nos. 249, 250 and 251 of February 28, 1955.

ALERTS PROCEDURES

Following for Robertson from Léger, Begins: We are in general agreement with the comments made by Dean in his first letter. We should like to regard the first objective as a practical and speedy procedure preliminary to and in support of the NATO alert system, on the understanding that a parallel procedure for other areas of the world will be elaborated later.

2. We are, however, somewhat puzzled by his reference to an overhauling of the NATO system of alerts. We wonder if he has in mind the suggestion in the second note to the working paper that an examination be made in due course to ensure that there is no conflict between the NATO systems and the tripartite procedures. While we see no objection to such an examination on a tripartite basis in connection with the study of the present proposals, we would be inclined to question whether any useful purpose would be served by re-opening the question in the North Atlantic Council. As you know, the negotiations between governments and supreme commanders on the proposed NATO alert measures (instituted by the Council's decision of July 1, 1953 on document S.G. 129/4) have been progressing slowly, and several governments have already agreed to the measures which concern them. At the last meeting of the Military Committee it was announced that the United States Joint Chiefs of Staff had reached agreement and would be notifying the Standing Group forthwith. Our own Chiefs of Staff are considering the measures applicable to Canada and hope to make recommendations soon to Ministers. In these circumstances, and in view of the desirability of concluding the bilateral negotiations and thus completing the NATO alerts system as soon as possible, we should be interested to know what overhauling of the system is envisaged and whether the United Kingdom has any definite proposal in mind.

3. One point which occurs to us is that the United Kingdom working paper makes no explicit reference to the agreed NATO procedure (outlined in document S.G. 166/1) for passing evaluated indications of impending Soviet attack to the Standing Group, with copies to major NATO Commands and Standing Group national staffs, by the quickest means available. We wonder whether paragraph 10 of the working paper, which states that the J.I.C. will consider how much of the intelligence received can be passed to allies other than the United States and Canada, and in what form, might not be amended to take account of the NATO procedure. One suggestion, which has already been considered by the United Kingdom J.I.C. (in draft paper JIC/256/55 of January 26, sent to us directly), is that the J.I.C., if it agrees that the indications are positive, will decide (a) whether to recommend that the Chiefs of Staff inform the Standing Group, and (b) whether to inform the major NATO commands. If this were expanded to provide for passing evaluated indications to Standing Group national staffs (in effect, the French Ministry of Defence) at the same time as to major NATO commands, this would seem to be a sensible way of implementing the NATO procedure. Indeed, the passing of evaluated intelligence to the French in this way would seem to be a necessary preliminary to the procedure outlined in paragraph 12 of the working paper for an approach to the French Government by the United Kingdom and United States Governments, in agreement with Canada, regarding proposals for action.

4. Another point which we think should be considered is the channel to be used in approaching the other NATO countries with proposals for action. Paragraph 12 of the working paper suggests that, if the French agree, tripartite approaches should be made through diplomatic channels in the capitals concerned, keeping the NATO representative in Paris informed. We wonder whether the permanent representatives in Paris might not be a more appropriate channel, particularly since the Council is to authorize the alerts.

5. The problems of staffing and of rapid communication are under study here and we believe that satisfactory arrangements can be made.

6. As regards the procedural questions mentioned in Dean's second letter, we agree that it would be more appropriate for the United Kingdom Ambassador in Washington to make the first approach to Mr. Dulles, followed separately by the Canadian Ambassador. We agree also with the suggested line of approach. On the question of timing, while we agreed that it would be desirable to try to begin tripartite talks in the near future, we should like you to remind Dean of our desire to show the revised paper to the Ministers concerned before it is produced in Washington. This telegram was considered this morning by the Chiefs of Staff Committee, with the External Affairs representative and the Secretary to Cabinet present, and carries their concurrence. Ends.

176.

DEA/50030-AB-4-40

*Le haut-commissaire au Royaume-Uni
au secrétaire d'État aux Affaires extérieures*

*High Commissioner in United Kingdom
to Secretary of State for External Affairs*

TELEGRAM 396

London, March 25, 1955

TOP SECRET

Reference: Your telegram No. 411 of March 10.

ALERTS PROCEDURES

Following for Léger from Robertson, Begins: My immediate following telegram contains text of Dean's letter of March 24 dealing with the points raised in your telegram under reference. If as he assumes, we are now in substantial agreement on the basis for an approach to the Americans, he would appreciate confirmation that this is the case at the official level as soon as possible, so that the working paper may be submitted to ministers for approval here.

2. I gather that no revised working paper as such has yet been drawn up, pending agreement with us. However, Dean is sending us to-day an annotated version of the draft which was given to you in London, containing the various amendments or deletions which have been mentioned in our subsequent exchanges on this subject. This would in effect be the revised paper, and I shall send copies to you in tomorrow's bag. Meanwhile we shall collate the two versions and hope to be able to let you have the amendments by teletype later today.

3. I am sending copies of these telegrams to Mr. Wilgress by bag.

177.

DEA/50030-AB-4-40

*Le haut-commissaire au Royaume-Uni
au secrétaire d'État aux Affaires extérieures*

*High Commissioner in United Kingdom
to Secretary of State for External Affairs*

TELEGRAM 397

London, March 25, 1955

TOP SECRET

Reference: My immediately preceding telegram.

ALERTS PROCEDURES

Following for Léger from Robertson, Begins: Following is text of Dean's letter. Quote.

We have considered the telegram on 'alerts' (No. 411 of March 10) which Collins handed me the other day and are glad to see that your views and ours are very close. To take up your points in the order in which they are made in the telegram.

2. We agree that a parallel procedure for other areas of the world (i.e. outside NATO) should be elaborated later. We must also produce later on a telescoped procedure to deal with the surprise attack.

3. My references to the 'overhauling of the NATO system of alerts' was, as you suggest, an allusion to the second note in the working paper. We do not want to re-open the question in the North Atlantic Council, at any rate until you, we and the Americans have made more progress with the present exercise.

4. We agree that paragraph 10 of the working paper, about passing evaluated indications of impending Soviet attack to the NATO machinery, is somewhat laconic. We agree that this paragraph should be expanded to refer to the NATO procedure, and suggest the insertion of the following:

'... particularly to NATO governments (as determined in SG 166/1), so that the latter ...'

We will also expand our J.I.C. instructions to cover the point.

5. When we were clearing our own minds about the channel to be used in approaching other NATO countries with proposals for action we considered whether the Permanent Representatives in Paris would not provide the best link. We concluded that it would be better to go direct to governments, mainly because it is with them that decisions must lie and we could thereby cut out one stage and also because we thought that security, particularly of communications, would be much better than if everything was addressed to the Permanent Representatives. We still think this is right; but it is obviously a matter that could be covered in discussions with the Americans.

6. If you agree that we have now got the basis for an approach to the Americans we will submit our working paper to ministers for approval, and we will then be ready to instruct Makins to concert with your Ambassador in Washington on the lines suggested in my second letter of February 26 and accepted in paragraph 6 of Ottawa's telegram of March 10. We think it important to have our discussions with the Americans in good time before the next ministerial meeting of the North Atlantic Council. Unquote.

178.

DEA/50030-AB-4-40

*Le haut-commissaire au Royaume-Uni
au secrétaire d'État aux Affaires extérieures*
*High Commissioner in United Kingdom
to Secretary of State for External Affairs*

TELEGRAM 400

London, March 25, 1955

TOP SECRET

Reference: My telegram No. 396 of March 25.

ALERTS PROCEDURES

Following for Léger from Robertson, Begins: The only changes in the present draft of the working paper are in paragraphs 10, 12 and 16, to eliminate references to Commonwealth Governments and to incorporate the amendment quoted in paragraph 4 of Dean's letter of March 24.

2. Text of these paragraphs are as follows: Quote:

Paragraph 10. Meanwhile, the JIC consider, after consulting their American and Canadian opposite numbers, how much of the intelligence received can be passed to our other Allies and in what form, without prejudicing security or our intelligence methods. We should wish to pass it particularly to NATO governments (as determined in SG 166/1) so that the latter may be in a position to authorize the calling of a simple alert and other appropriate measures as required. (A simple alert denotes bringing NATO forces to a state of combat readiness including bringing formations on the continent up to strength and taking precautions against surprise attack).

Paragraph 12. If the United Kingdom/United States/Canadian Governments come to the conclusion that war probably cannot be averted or that for other reasons proposals for action should be put to friendly governments, the procedure would be as follows. The United Kingdom and United States Governments, in agreement with Canada, approach the French Government giving them their estimate of the situation, proposing action and asking them to join in approaches to the other members of NATO. If the French agree, tripartite approaches are made accordingly through diplomatic channels in the capitals concerned. If the French disagree, or fail to make up their minds within a certain time, the United States and United Kingdom proceed nonetheless. All the NATO countries are asked to send instructions to their NATO representatives in Paris, and all exchanges in the various capitals are repeated to these representatives.

Paragraph 16. The foregoing procedure applies to action taken with NATO governments. Appropriate action will be required in regard to the Middle East, South East Asia and the Far East. Unquote.

3. I shall send the complete text by bag tomorrow, and am referring a copy, with this telegram to Wilgress.

179.

DEA/50030-AB-4-40

*Le secrétaire d'État aux Affaires extérieures
au haut-commissaire au Royaume-Uni*

*Secretary of State for External Affairs
to High Commissioner in United Kingdom*

TELEGRAM 574

Ottawa, April 4, 1955

TOP SECRET

Reference: Your telegram No. 397 of March 23, 1955.
Repeat Washington EX-629; by bag to Mr. Wilgress.

ALERTS PROCEDURES

Ministers concerned have approved the revised United Kingdom working paper as a basis for discussion with the United States authorities. You may inform Dean that Heeney will be prepared to act in concert with Makins as previously suggested.

2. We should be glad to know what procedure the United Kingdom have in mind after Makins and Heeney have made their approaches. Do they envisage a meeting of senior civil and military representatives to discuss the principles? Or, if the principles should prove acceptable to the United States, would they think it sensible for representatives of the three intelligence committees to meet, presumably in Washington, to work out detailed procedures for the exchange of indications intelligence?

180.

DEA/50030-AB-4-40

*L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures*

*Ambassador in United States
to Secretary of State for External Affairs*

TELEGRAM WA-640

Washington, April 20, 1955

TOP SECRET

Reference: Your EX-629 of April 4.

ALERTS PROCEDURES

I have had a preliminary conversation with Sir Roger Makins and Sir Robert Scott (now Chargé d'Affaires) brought me yesterday the revised United Kingdom paper: presumably the one referred to in your telegram under reference.

2. It now remains to make approaches to the State Department. From the telegrams attached to the Under-Secretary's letter of March 16,† I gather that the suggested procedure under which the United Kingdom Ambassador and myself should make separate approaches to the Secretary of State was to avoid appearance of previous "definite agreements". It seems to us that the appearance of two Ambassadors one after the other, each saying much the same thing, could hardly suggest anything but previous consultation and agreement. Furthermore, the paper in question is a United Kingdom paper although it meets with the approval of the Canadian Ministers.

3. I would, therefore, suggest as an alternative, if you agree, that the United Kingdom Chargé should make the approach. If the United States do not disagree with the general plan suggested, we could then have a preliminary tripartite conversation leading, if all went well, to a further tripartite meeting of experts.

4. I should be grateful to have your opinion on this suggestion.

A.D.P. HEENEY

181.

DEA/50030-AB-4-40

*Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis*

*Secretary of State for External Affairs
to Ambassador in United States*

TELEGRAM EX-743

Ottawa, April 21, 1955

TOP SECRET

Reference: Your telegram WA-640 of April 20, 1955.

Repeat London No. 664.

ALERTS PROCEDURES

You should by now have received the Under-Secretary's letter of April 18† enclosing copies of the last exchanges with London on this subject, together with a copy of the U.K. working paper referred to in your telegram.

2. As you know, the paper was approved as a "working" paper by the Ministers concerned here, and we also agreed with the United Kingdom Government on the utility of separate approaches by the U.K. Ambassador and yourself.

3. Although I appreciate the points you have made, I remain of the opinion that you should make an approach after the U.K. representative has done so. I fear that, if we do not follow this procedure, there is some residual danger that we will not be in a position to take part in any discussion if the U.S. disagree with the idea of having tripartite talks. This would be most unsatisfactory, since I attach considerable importance to working out a satisfactory tripartite arrangement for dealing with alerts.

4. From the internal evidence in the working paper I think it will be clear to the State Department, in any event, that the U.K. have consulted us beforehand, and I do not think that any harm will be done if they do realize this.

5. In making your approach, I suggest that you inform Mr. Dulles that you are aware of the U.K. working paper and that the opportunity presented by the Commonwealth Conference had been used to have preliminary discussions on this topic between myself and representatives of the U.K. Government. You might go on to say that the Canadian Government considers it a matter of importance that we reach tripartite agreement on this matter, and that it seems to us, from what we know of the U.K. working paper, that it might serve as a point of departure for further discussion on a tripartite basis.

6. While an approach on these lines will show that we have had prior consultation with the United Kingdom (and I do not see any way of avoiding this in any event), I see no reason why Mr. Dulles need be left with the impression that we are committed to any definite agreement with the U.K., except our joint desire to conclude an arrangement satis-

factory to all three governments. I should accordingly be glad if you would proceed with your approach on the above lines, after you have further consulted with the U.K. Chargé d'Affaires, and providing neither you nor he sees any other difficulties in following this procedure.

L.B. PEARSON

182.

DEA/50030-AB-4-40

*L'ambassadeur aux États-Unis
au sous-secrétaire d'État aux Affaires extérieures
Ambassador in United States
to Under-Secretary of State for External Affairs*

TOP SECRET

Washington, May 2, 1955

Dear Jules [Léger],

In your last letter on this subject of April 18 you authorized me to approach Mr. Dulles and gave me the recent communications with London and the United Kingdom working paper. We exchanged telegrams about the procedure (WA-640 of April 20 and EX-743 of April 22).

On April 29 I called on the Secretary of State and left with him an informal memorandum simply to remind him of the main points, these being taken from paragraph 5 of your EX-743. Livingston Merchant was with Mr. Dulles.

Mr. Dulles raised no objection in principle and it is now left that we shall have some further consultation with officers of the State Department after the question has been examined more fully by them. I indicated in talking to Mr. Dulles that we would like to go over the subject with the State Department before it was taken over by the intelligence machine.

Sir Robert Scott as Chargé d'Affaires had shortly before my visit seen the Secretary of State.

I shall let you know as soon as we have any further response from the State Department.

Yours sincerely,

ARNOLD [HEENEY]

183.

DEA/50030-AB-4-40

*L'ambassadeur aux États-Unis
au sous-secrétaire d'État aux Affaires extérieures
Ambassador in United States
to Under-Secretary of State for External Affairs*

TOP SECRET

Washington, October 25, 1955

Dear Jules [Léger],

Since I wrote to you on May 2, after I had seen Mr. Dulles, neither the British Embassy nor ourselves have been able to draw even a tentative answer from the State Department. While I was away in August, Glazebrook took an opportunity of asking Burke Elbrick (whom he found was the responsible officer in the State Department) when an answer

might be expected. Elbrick confessed that the papers were still in the Department of Defense and he knew of no way of speeding up the procedure there. During the conversation it was agreed that the general principles should be agreed between the State Department and the Embassy (if agreement is ever possible), and that after that stage the details could be worked out between United States, United Kingdom, and Canadian service officers.

2. This conversation was on August 25 and not a sound has come from the State Department since. When General Foulkes was here he mentioned this subject to Admiral Radford and emphasized the necessity at least for some agreement on alerts between the United States and ourselves in relation to continental defence. I understand that one suggestion made at this conversation was that the Canadian and United States Chiefs of Air Staff should meet and look at this question together.

3. I expect that Foulkes may be speaking to you about this but, if not, you may want to have a word with him at some time. It may well be helpful for the two Air Force Chiefs to discuss some aspects of this question. However, having once put the subject before the Secretary of State you would not, I am sure, want it to be handled entirely as a military matter.

4. All that we have here are rumours and they are generally to the effect that the Pentagon does not like the tripartite scheme. I suspect that this is not unconnected with the usual conservative attitude of some military officers in relation to what they regard as sensitive intelligence. I would not be surprised if the alerts proposal has been moving in a leisurely way through the Pentagon collecting obstructive minutes from time to time.

5. Foulkes had some impression that the cold water apparently being dropped on the proposal might be connected with the fact that the National Indications Centre is under interdepartmental direction and not simply an agency of the Department of Defense. Crean will be able to explain its organization to you, if you are interested.

6. I shall take an opportunity of raising the alerts question to the State Department; but it may prove to be desirable to mention the question at the meeting of consultation, which is about the only forum in which we could discuss it with the Under-Secretary and the Chairman of the Chiefs of Staff.

Yours sincerely,

ARNOLD [HEENEY]

184.

DEA/50045-E-40

*Note du chef de la 1^{re} Direction de liaison avec la Défense
pour le sous-secrétaire d'État aux Affaires extérieures*

*Memorandum from Head, Defence Liaison (1) Division,
to Under-Secretary of State for External Affairs*

TOP SECRET

[Ottawa], October 28, 1955

ALERTS PROCEDURES

At his Joint Staff briefing on October 21, General Foulkes referred to his conversations last week in Washington with Admiral Radford, and mentioned the subject of alerts procedures in particular. Radford apparently said something to the effect that the tripartite approach to the question contained in the United Kingdom working paper, on which we have been awaiting a reply from the State Department since last April, had been turned

down by the Pentagon although this decision had not yet been communicated to the State Department. (This is in line with information concerning the attitude of the Pentagon which has reached this Department through Intelligence channels.) According to Radford the U.S. Joint Chiefs were reluctant to agree to consultation on a tripartite basis in view of the difficulties of obtaining co-ordination inside the United States Governmental machine, in particular between the Pentagon and the Central Intelligence Agency.

2. General Foulkes then asked Radford if the United States would be willing to work out Canada-U.S. alerts procedures in the continental defence context.³⁶ General Foulkes emphasized that decisions to declare alerts in Canada could only be taken at the highest level and that if the continental air defence system was to operate effectively it was essential that procedures should be worked out for full consultation leading up to the declaration of alerts in Canada and the United States. Radford agreed that this was desirable in the case of tactical, but not necessarily of strategic, warning. Radford gave no explanation as to how to distinguish between strategic and tactical information in this context.

3. While we should perhaps not read too much into these off-the-cuff remarks by General Foulkes, I suggest that we should keep them in mind in preparing for the next meeting of consultation. You will recall that one of the proposed agenda items is the relationship between the NATO alerts system and North American air defence. We have consistently taken the line that the tripartite approach to this matter is the best one; but regardless of how that stands at the time, I think it is most desirable to raise at the meeting of consultation the question of procedures for declaring alerts in North America. Indeed, it might be better tactics to change the agenda item to something like "Alerts procedures in relation to North American defence". It would then be possible to lead up to discussion of tripartite arrangements, or not, as appeared to be desirable.³⁷

4. If we intend to go ahead with the discussion of alerts at the meeting of consultation, I would recommend that we inform the U.K. Foreign Office that we are doing so. In informing them we might say that we find it necessary to discuss alerts in the context of continental defence, and it is not intended to cut across in any way the joint approach already made in Washington on NATO alerts.³⁸

5. I am disturbed by the distinction which Radford seems to have made between tactical and strategic warning. If he has in mind limiting the exchange of information to what comes off the radar system and the like (for which arrangements of course already exist), he is placing in jeopardy the 1951 agreement to institute the meetings of consultation, which in effect are intended to give us some strategic warning of the imminence of an atomic war. What is needed now, perhaps, is to re-assert the underlying purpose of the 1951 agreement and to consider whether existing arrangements are adequate to ensure that we fully exchange information upon which to base a judgment of the imminence of war. The possibility is now much greater than it was then, in the event of war, of U.S. atomic weapons being not only deployed but also employed over and in Canada. The Canadian Government is surely entitled to insist that any decision we might be asked to take authorizing the employment of U.S. atomic weapons over or in Canada should be based on the fullest possible exchange of information and consultation between the two governments. If

³⁶ Voir/See Document 303.

³⁷ Note marginale :/Marginal note:
This might be wise [J. Léger]

³⁸ Note marginale :/Marginal note:
I agree [J. Léger]

you agree, I shall give further consideration to the manner in which this question might be approached at the meeting of consultation.³⁹

6. As the next step, I propose drafting for your signature a letter to General Foulkes (with copies to Mr. Heeneey and Mr. Bryce) asking him what he learned about the alerts from Admiral Radford, and requesting his comments on the ideas in paragraphs 3 - 5 above. I should be grateful to know if this meets with your approval.

7. This memorandum was prepared in consultation with Mr. Crean.

G. IGNATIEFF

P.S. I have just seen Mr. Heeneey's letter of October 25 to you (attached). The information in it conforms with that which we already had.

185.

DEA/50030-AB-4-40

*L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures
Ambassador in United States
to Secretary of State for External Affairs*

DESPATCH NO. 1879

Washington, November 21, 1955

TOP SECRET

Reference: Our telegram No. WA-1345 of August 9, 1955.†

ALERTS PROCEDURES

On November 18 the Deputy Assistant Secretary for European Affairs invited the Minister to call and handed to him an Aide Mémoire, four copies of which are attached.

2. The United States reply to the United Kingdom and Canadian suggestions is more positive than rumour had indicated it would be. Mr. Elbrick clearly regarded it as, in general, an acceptance of the proposal. He did, however explain that the answer was the result of prolonged studies by a number of departments and agencies and that he himself did not pretend to be fully informed on the details. Because of this we were not able to obtain much elucidation of the points raised.

3. Our reading of the Aide Mémoire, and particularly of the "general comments", leads us to the following tentative impressions. Comment number 1 appears to be in such general terms as not to affect the procedure. Comments numbers 2 and 3 would also seem not to bear heavily on the effect of the proposal. You may be more doubtful as to comment number 4, the first sentence of which calls for an explanation that we were not able to obtain.

4. We can only guess at the intent of the conclusion on page 4 of the Aide Mémoire. Superficially, it appears to suggest that no change is required, though such an interpretation is hardly consistent with some of the phrases in this and in other paragraphs. We are puzzled as to the meaning of "the procedures for political consultation".

5. We might add that the British Minister received an identical communication and was struck by the same passages.

³⁹ Note marginale :/Marginal note:
I agree [J. Léger]

6. I can only suggest that you will no doubt wish to study this Aide Mémoire and possibly instruct us to enquire further as to its meaning and implications.

7. Last August it was understood from the conversation between Mr. Elbrick and Mr. Glazebrook that once the principles were agreed the details of the proposed procedure could be examined by experts. In view, however, of the nature of the Aide Mémoire, and particularly the suggestion to explore procedures for political consultation, this earlier arrangement may not, at least until more is known, have any relevance.

A.D.P. HEENEY

[PIÈCE JOINTE/ENCLOSURE]

Aide-Mémoire

TOP SECRET

Washington, November 18, 1955

The interested agencies of the United States Government have considered the Memorandum dated April 29, 1955, left by the Canadian Ambassador on April 29, 1955 entitled: *Alerts Procedures on Indications of Major Soviet Aggression*. This Memorandum referred to a United Kingdom working paper on this subject and stated that the Canadian authorities, from what is known of it, felt that it might serve as a point of departure for further discussions on a tripartite basis. The United Kingdom Memorandum, *Possible Stages of Action when Indications of Major Russian Aggression are Received in Good Time*, proposes the establishment of a procedure in support of the NATO alert system under which the United States, the United Kingdom, and Canada would consult together on a practical and rapid basis if indications of major Soviet aggression are received.

Subject to certain general and specific comments, the interested United States agencies see no objection to the procedures outlined in the British Memorandum and, on the contrary, believe that they would supplement and strengthen the existing NATO alert system.

Our general comments are as follows:

(1) The procedures established should not in any way restrict the freedom of action of any of the three powers individually to take appropriate measures for their own defence or that of their treaty⁴⁰ partners in the event of warning of attack.

(2) The procedures outlined in the British paper should be regarded as exceptional⁴¹ and as clearly supplementary to the existing NATO alerts procedures which will ordinarily continue to apply. The proposed United Kingdom procedure would apply only in cases where the intelligence received is of such a sensitive nature or source as to render imprudent or questionable the disclosure of the information to other NATO countries unless or until such disclosure is necessary to the security of the NATO area.

3. The procedures devised should assure that as much information as possible which bears on the likelihood of attack should be communicated as rapidly as possible to NATO military commanders.

4. With respect to Part I regarding procedures for the exchange of intelligence, it is believed that existing procedures are adequate.⁴² Information relating to Soviet and satellite

⁴⁰ Note marginale :/Marginal note:

? [G.G. Crean]

⁴¹ Note marginale :/Marginal note:

Which part is exceptional? [G.G. Crean]

⁴² Note marginale :/Marginal note:

? [G.G. Crean]

preparations for war is presently regularly exchanged through existing channels and will continue so to be exchanged. These channels are believed to be sufficiently secure, certain and expeditious.⁴³ They are, of course, under constant review to insure that they can operate with the utmost speed and efficiency. Whenever exchanged information which concerns indications of major Soviet or satellite aggression is considered by the United States Watch Committee, the Watch Committee's evaluation thereof will be passed expeditiously to the United Kingdom and Canada through existing channels.⁴⁴ Existing liaison channels provide adequate means for any discussion of the desirability of passing such information to allied governments.⁴⁵

5. No decision should be taken at the present time about the possible adaptation of these procedures to other areas of the world.

Against this background, the following specific comments are offered on the British paper:

(a) With respect to the Introduction, it is suggested that the new procedures should cover the contingencies of indications of *any* (not merely "major") Soviet *or satellite* aggression against the NATO area.⁴⁶

(b) It is suggested that paragraphs 10 and 12 should be amended to make it clear that the Standing Group and the major NATO commands, in addition to NATO Governments, should be informed in accordance with SG166/1.

(c) With respect to Part II, it is suggested that paragraph 12 should be revised to tie in more closely with NATO procedures. Specifically, if time permits, it would be desirable that the indications of attack and the estimate thereon should be raised with the French in the Standing Group in the first instance in an effort to reach agreement on a Standing Group recommendation to the North Atlantic Council. This action in the Standing Group could, of course, be supplemented by diplomatic action with the French. A collateral point bearing on this aspect of the problem is the question of which nation should approach the French. The British procedure suggests that this should be done by the United States and United Kingdom Governments, with Canadian agreement. It is suggested that this procedure should not be determined at this time as it may prove preferable in the event for only one government to make the approach.

In conclusion, the interested United States agencies are agreeable in principle to the general procedures suggested in the British paper, subject to the foregoing comments. Since present procedures for the exchange of intelligence appear satisfactory, reliance on these procedures would appear to meet the problem.⁴⁷ On the above basis, the Department of State would be happy to explore further with representatives of the Canadian and British Embassies the procedures for political consultation.

A similar communication in the above sense is being made to the British Embassy.

⁴³ Note marginale :/Marginal note:
? [G.G. Crean]

⁴⁴ Note marginale :/Marginal note:
What channel? Speed? [G.G. Crean]

⁴⁵ Note marginale :/Marginal note:
There is no direct channel JAC to JIC [G.G. Crean]

⁴⁶ Note marginale :/Marginal note:
Agreed [G.G. Crean]

⁴⁷ Note marginale :/Marginal note:
? [G.G. Crean]

3^e PARTIE/PART 3

RÉUNION MINISTÉRIELLE DU CONSEIL DE L'ATLANTIQUE NORD, PARIS,
9-11 MAI 1955
MINISTERIAL MEETING OF THE NORTH ATLANTIC COUNCIL, PARIS,
MAY 9-11, 1955

186.

DEA/50102-J-40

*Le représentant permanent auprès du Conseil de l'Atlantique Nord
au secrétaire d'État aux Affaires extérieures*

*Permanent Representative to North Atlantic Council
to Secretary of State for External Affairs*

TELEGRAM 651

Paris, May 17, 1955

SECRET

NATO MINISTERIAL MEETING

Our immediately following telegram contains the text of a report prepared by the delegation to the recent ministerial meeting. This report was seen in draft by Mr. Pearson before he left for London.

2. As you will see, this report is designed to review the highlights of the meeting and does not attempt to go over the same detailed ground as has already been covered in telegrams. We would suggest that these telegrams (to which reference is made in paragraph 1 and following paragraphs of the report) be attached as annexes to the report, along with the agenda and the final communiqué, and that the whole might then be given fairly wide distribution in Ottawa and to our NATO missions abroad.

3. In view of the comments on other Foreign Ministers however, you may wish to mark this report as "for Canadian Eyes Only".

187.

DEA/50102-J-40

*Le représentant permanent auprès du Conseil de l'Atlantique Nord
au secrétaire d'État aux Affaires extérieures*

*Permanent Representative to North Atlantic Council
to Secretary of State for External Affairs*

TELEGRAM 652

Paris, May 17, 1955

SECRET

Reference: Our telegram No. 651 of May 17, 1955.

NATO MINISTERIAL MEETING

The following is text of report referred to in our immediately preceding telegram:

Text Begins:

"Report on the ministerial meeting of the North Atlantic Council, May 1955. This was a meeting of NATO foreign ministers only and the agenda (which is attached as Annex

"A"† consisted entirely of political subjects. Detailed reports on the discussion concerning each of these subjects are contained in the following telegrams from our NATO delegation in Paris, which are also attached as annexes:

- Item II (a)—Telegram No. 595 of May 9th (Annex "B")
- Item II (b)—Telegram No. 600 of May 10th (Annex "C")
- Item II (c)—Telegram No. 605 of May 11th (Annex "D")
- Item II (d)(I)—Telegram No. 606 of May 11th (Annex "E")
- Item II (d)(II)—Telegram No. 604 of May 11th (Annex "F")
- Item III—Telegram No. 610 of May 11th (Annex "G")

2. There is no doubt that the political discussion at this ministerial meeting was the best the North Atlantic Council has ever had. The atmosphere was friendly and relaxed and points of view were for the most part expressed with admirable frankness. The most convincing proof of the success was that, although the main occasion for the ministerial meeting was the admission of the German Federal Republic to NATO, this event was in fact overshadowed by the political discussions.

3. The satisfactory nature of this political discussion may be attributed to a number of factors. In the first place, this ministerial meeting was held at a time when public interest in the possibility and substance of four-power talks was running high and when the "Big Three" had had an opportunity of exchanging preliminary views on the subject. The NATO discussion therefore fitted naturally and conveniently into the process of diplomatic preparation for such talks. In the second place, the agenda of the ministerial meeting was sufficiently detailed to cover all the subjects of the greatest concern to NATO countries, and three full days were set aside to allow the ministers to discuss these subjects at leisure. Moreover, the procedure, which was tried for the first time, of agreeing informally in advance that certain ministers should lead the discussion on certain agenda items, proved most useful in stimulating debate.

4. There was certainly no attempt to adopt any decisions on the agenda items, nor to reach any conclusions, except in the most general terms. Nor was there any real attempt at this meeting to bridge existing differences between the United States and other member countries on the Far East, for example, but for the first time, the various points of view on this and other contentious matters were candidly expressed around the table; for the first time there was a real "confrontation" of attitudes. For the first time ministers talked of developing "common lines of policy", and this may well be the beginning of a conscious effort by the NATO countries, not to adopt unified political policies, but to find the largest possible area of common ground in their approach to problems of common concern. Indeed, Mr. Spaak of Belgium spoke of the desirability of developing some form of "Atlantic Commonwealth", by which he was understood to mean a loosely bound association of nations united by a common devotion to democratic ideals and common international interests.

5. The leading figures in this political discussion were probably Mr. Dulles and Mr. Spaak. Mr. Dulles, not so much because of his own personality, but because he spoke with the authority of the member country which had the heaviest responsibilities and the most extensive commitments around the globe. Mr. Spaak, precisely because of his personality; because he expressed with eloquence, and often with humour, with tact and at the same time with disarming candour, the point of view of the majority of small NATO countries. He put his finger with great skill on the most important issues involved in each problem under discussion, and he expressed so ably the views we ourselves held that on several occasions Mr. Pearson found it unnecessary to intervene himself.

6. Chancellor Adenauer also occupied a position of considerable prestige and was listened to with great respect whenever he spoke. However, he seemed to keep himself purposely in the background after the opening ceremonies and intervened during the political discussions on only two occasions and very briefly. Once was in connection with the examination of Soviet policy (Annex "B", when he stressed the opposition of the German people to neutralism and their determination to continue their association with the West. The other time was with respect to the item on the implementation of the Paris agreements (Annex "G") when he was at pains to emphasize that the Western European Union should live a life of its own apart from NATO.

7. Mr. Macmillan, the new United Kingdom Foreign Secretary, was not very effective at this meeting, nor was his French colleague, Mr. Pinay. Mr. Macmillan limited his interventions to fairly general and innocuous re-statements of western policy which carefully hid any differences of approach or emphasis that there might be among the United Kingdom, the United States and France. Mr. Pinay gave the impression of one who had had no time to prepare for the meeting; his statements were brief and general in the extreme. Mr. Zorlu, the Deputy Prime Minister of Turkey, spoke often and with great assurance, and seemed to regard himself as the spokesman on middle East and South-East Asian matters. He reported on the Turko-Iraqi Pact (Annex "E" and also on the Bandung conference (Annex "F"), which he had himself attended, and he analyzed the conflict at that conference between the neutralist powers, led by India, and the anti-Communist powers, led by Turkey.

8. By far the best discussion at this meeting was on the question of four-power talks (Annex "C"). It was significant in this connection that the "big three" spoke more frankly than ever before of their intentions and that they expressly recognized the interest of the other NATO countries in this matter. It was also significant that there was broad agreement among all the NATO countries on the approach adopted by the "big three", except with respect to one point. Mr. Dulles appeared to be insisting that the liberation of the Soviet satellites should be included either explicitly or by implication in any agenda for four-power talks, while the other NATO countries felt that such a position might well prejudice the success of such talks from the outset.

9. There was also an interesting discussion on the question of the relationship between NATO and WEU (Annex "G"), in which almost unanimous agreement was expressed with the proposition that the North Atlantic Council should be the preeminent forum for political consultation on matters of common concern. The exception to this general view was expressed by Chancellor Adenauer, who, as noted above (para. 6), was anxious that the WEU Council should not be prevented from taking an active part in the discussion and solution of European problems. In contrast to Mr. Spaak, who said he was coming to regard the "European idea" more and more as being limited to certain fields, Dr. Adenauer expressed the hope that WEU would in time become something more than it is at present and stressed that it has tasks which cannot be undertaken by NATO. Although he did not say this in so many words, Dr. Adenauer certainly gave the impression that he saw the future of Western Europe, and particularly of the German Federal Republic, in terms of WEU and the "European idea" rather than in terms of NATO and the "Atlantic idea". It may be significant that France did not on this occasion emphasize the importance of WEU and indeed made a point of saying that WEU, with its restricted tasks, should not try to compete with but should rather reinforce NATO, with its infinitely greater tasks.

10. At the end of this discussion there was a curious incident whose significance is difficult to judge. Although the Italian Foreign Minister had made no mention of the matter, Mr. Dulles volunteered a statement on the Italian Peace Treaty which was subsequently

endorsed by the United Kingdom, France and some others. This statement, to the effect that "various discriminatory aspects" of the treaty were considered to be "superfluous and inconsistent with the position of the new Italy", had been carefully worked out in advance by the "big three" to meet a possible Italian move to denounce the treaty. We had understood, however, that the statement would not be used unless the Italians themselves raised the question and it is difficult to see why Mr. Dulles considered it necessary to make it in the NATO Council at this time. A reference along the lines of Mr. Dulles' statement was included in the final communiqué.

11. On the debit side of the ledger must be mentioned the discussions on disarmament and on the Far East. The disarmament discussion (Annex "D") was particularly disappointing because, after Mr. Pearson had led off with a thought-provoking summary of the progress of negotiations to date in the United Nations Sub-Committee in London and their relationship to wider negotiations with the Soviet Union, none of the other ministers were prepared to deal substantively with any of the real issues involved.

12. The discussion on the Far East (Annex "F") was not disappointing in this way, but was discouraging in that it did not produce anything new, with one possible exception. Mr. Dulles described the discussion several times as "useful", but he obviously regarded it as useful only in giving him a further opportunity of impressing the other ministers with the United States point of view, particularly with respect to Formosa, and not in enabling him to hear and appreciate the points of view of others. What may possibly be a new development was the way in which Mr. Dulles referred to an attack against Quemoy and the Matsus. He said the United States would not let these islands be taken "*as part of an attack against Formosa and the Pescadores*". He did not elaborate but this apparently careful wording may indicate some retreat from the previous United States position concerning the off-shore islands.

13. The text of the final communiqué is attached as Annex "H".⁴⁸

14. With respect to the time and place of the next ministerial meeting, it was agreed that the matter should be left to the permanent representatives to decide, with the advice of their governments, in the light of future circumstances. The possibility has been left open of a meeting of defence ministers this summer to discuss SACEUR's effectiveness report and there will, in any case, be the regular annual meeting of foreign defence and finance ministers to complete the Annual Review toward the end of the year." Ends.

⁴⁸ Voir, Conseil de l'Atlantique Nord, *Textes des communiqués finals, 1949-1974*, Bruxelles: Service de l'information OTAN, s.d., pp. 93-95.

See North Atlantic Council, *Texts of Final Communiqués, 1949-1974*, Brussels: NATO Information Service, n.d., pp. 89-91.

[ANNEXE B/ANNEX B]

*Le représentant permanent auprès du Conseil de l'Atlantique Nord
au secrétaire d'État aux Affaires extérieures*

*Permanent Representative to North Atlantic Council
to Secretary of State for External Affairs*

TELEGRAM 595

Paris, May 9, 1955

SECRET

MORNING MEETING, PLENARY SESSION

Item I on the ministerial agenda, i.e. the progress report by the Secretary General, did not give rise to any comments (the Vice-Chairman announced that the French Ministry of Reconstruction has now issued the building permit for the NATO Headquarters) and the interventions were concerned exclusively with Item II (a) trends of Soviet policy.

2. Mr. Dulles opened the discussion by stating that he fully agreed with the main conclusions of the trends paper. He stressed the fact that significant changes had taken place in the USSR since last December. Internally, the forced resignation of Malenkov was the outstanding development. Malenkov's resignation seemed to reflect mainly changes of internal policies but it was perhaps closer to the truth to say that his downfall was brought about by a combination of both internal and external considerations. In any case, there is no doubt that the Soviet Government has now chosen a policy favouring the demands of heavy and war industry. The most significant change in external policy relates, of course, to the Soviet position regarding Austria. Although the negotiations have yet to be finalized, there seems to be a genuine desire on the part of the USSR to reach agreement.⁴⁹

3. Otherwise, Mr. Dulles said, Soviet policy continues as before. There has been no indication, for instance, with regard to disarmament that the USSR wish to take any positive steps towards the establishment of effective control of armaments. Moreover, Mr. Molotov will visit Warsaw this week to conclude a formal alliance with its European satellites and establish a unified system of defence in Eastern Europe.⁵⁰ Mr. Dulles alluded to the question of the Berlin blockade but only said that what is happening in Berlin now is clearly a violation of the undertaking given by the USSR at the foreign ministers meeting in 1949 that they will not interfere with normal communications of Berlin with the west.

4. Mr. Dulles ended up his remarks by saying that basically, Soviet foreign policy has not changed and that we should therefore not relax our efforts. NATO had now under consideration the effectiveness report of SACEUR which points out to serious weaknesses and it was essential that we should not be distracted in our constant efforts to build up the strength of the alliance. The slight improvement in our relations with the USSR did not represent any real change in Soviet policy which had just been adapted to circumstances, but was the direct result of our firmness and an illustration of the fact that our own policies were wise. We should not be swayed into relaxation by superficial evidences of cooperation on the part of the USSR.

⁴⁹ Pour connaître le point de vue canadien sur ces événements, voir le document 512.

For a Canadian assessment of these developments, see Document 512.

⁵⁰ Voir l'analyse du Pacte de Varsovie, au document 545.

For a discussion of the Warsaw Pact, see Document 545.

5. The Turkish Minister of State, Mr. Zorlu, developed the same theme and warned against the danger that the Soviet "peace offensives" might succeed in developing strong neutralist tendencies in Europe. Indeed Soviet tactics have already been too successful and in appraising the aims of Soviet policy we should always be conscious of the fact that they are directed towards world domination.

6. Chancellor Adenauer made a brief intervention and stressed the following points (a) prior to his coming to Paris, he had consulted with the leaders of political parties and he was in a position to say that Germany is wholeheartedly in favour of association with the west. It was absolutely misleading to say that Germany keeps an eye on the east while associating with the west. Germany's fate is now firmly linked with the western democracies (b) German public opinion has not been affected by Soviet attitude towards Austria. He could say that even in the eastern zone not more than 10 percent of the population favoured Germany's reunification at the price of neutralization (c) whatever policy may be adopted by the USSR it will always remain a dictatorship and consequently a threatening factor. We must therefore remain vigilant even after some relaxation in the east - west tension (d) we must not expect the proposed four-power conference to be short. All problems are interrelated and the four-power conference may have to be extended into a larger conference as the interests of other countries will be involved. It may take months and even years before we reach agreement over our differences.

7. Mr. Pinay made a very brief intervention to subscribe to the thesis that the policy of firmness and strength was paying good dividends and that our efforts in that direction should be sustained.

8. Finally Mr. Spaak agreed with previous speakers that there was no reason to diminish our efforts. But he said he sincerely hoped that the current expectations on the part of the public that the proposed conference with the USSR will settle our differences, will not bring about disillusionment. An international conference is only a means to an end and he hoped that the great powers had given careful thought to what they are prepared to say to the Russians or at least are clear as to minimum concessions that they are prepared to make. He did not hide his concern over current press reports which lead our public opinions to expect perhaps too much from the proposed conversations with the Soviets.

[L.D.] WILGROSS

[ANNEXE C/ANNEX C]

*Le représentant permanent auprès du Conseil de l'Atlantique Nord
au secrétaire d'État aux Affaires extérieures*

*Permanent Representative to North Atlantic Council
to Secretary of State for External Affairs*

TELEGRAM 600

Paris, May 10, 1955

SECRET

Reference: Our telegram No. 595 of May 9.
Repeat London No. 79.

NATO COUNCIL DISCUSSION ON FOUR-POWER TALKS

The discussion on the afternoon of May 9 covered the general question of possible negotiations with the Soviet Union and more detailed questions relating to the Austrian

Peace Treaty. Both these subjects were introduced by Pinay, speaking as a representative of the three powers and summarizing briefly their agreed views; in each case he stated that they would be grateful for comments or suggestions from the other NATO countries.

2. The summary record of this discussion (C-R(55)19) has appeared and will be available to you shortly so we shall not attempt to summarize the remarks of all speakers. On the question of four-powered talks, it was universally agreed that the prospects of possible negotiations with the Russians were somewhat more encouraging than at the time of the last four-powered conference. On the other hand, it was accepted by all that while Russian tactics may have become more flexible, there was no evidence whatever that Soviet aims had altered. The two factors which could be regarded as encouraging were the new flexibility of Soviet tactics and the increasing strength and solidarity of the western countries. Public opinion would not understand an unwillingness to meet with the Russians and seek genuine agreements on the major points of difference. It was therefore right and proper that the western powers should seek to negotiate, holding firm to the essential elements in their position but ready to exploit any opportunity for reaching agreement which would not compromise those essentials.

3. Only two statements call for special mention in this brief account. Beyen made the point that much of the west's recent political strength and solidarity depended upon a remarkable period of prosperity. He would not agree that this prosperity was the result only of the stimulus provided by rearmament, but undoubtedly the latter had contributed. While he did not fear a depression comparable in any way to that of the 1930's, he thought governments should keep in mind the risks for their political cohesion of a period of economic difficulty. Such a period might easily follow the establishment of a *modus vivendi* with the east which involved a significant readjustment of our economy to a reduction in armament efforts.

4. The other important statement was that of Dulles, who spoke last and agreed with most of what had been said previously. He thought that it was now a proper time to take the initiative in seeking negotiations, and he thought as well that it would be proper to press the Soviet Union for real solutions to some of the outstanding problems. The initiative now proposed, that of an invitation to the Russians to attend a four-power conference, could only be preliminary; for historical reasons this first step would have to be taken by the three powers, but conditions now were very different from those of wartime and it would not be right for those four major powers to agree among themselves upon steps which will vitally affect many other peoples. In shaping final solutions, all those countries affected — those about the Council table and others not represented — should have an opportunity at the proper time to present their views.

5. He therefore thought that the talks now proposed should be designed to define the problems most urgently in need of settlement and to seek out more effective methods of attacking them than had been developed so far. This first stage would be primarily procedural. Particular problems which he thought should be brought forward and examined were, of course, the unification of Germany, the atomic threat, and the reduction of armaments. Another problem which he thought it would be proper to discuss bluntly with the Russians was that of the oppression and repression of independence and of human rights in the satellite countries. The west should not allow it to be thought that any solution which might be reached on the Austrian and German questions implied a confirmation of the status quo in the enslaved countries of Eastern Europe. It could never be our thought to seek changes in those countries through violence, but he was convinced that the moral forces tending to a change in the organization of Eastern Europe were real and effective forces which sooner or later would determine events. He did not have in mind that we

should seek to set up in Eastern European countries a sort of cordon sanitaire of states hostile to Russia; what it was right to press for was the establishment of freely elected governments having a proper degree of independence and, at the same time, friendly relations with their great neighbour. The example of Finland might serve as a guide.

6. Pinay outlined briefly the recent developments relating to the Austrian Treaty, and expressed the hope that the treaty might be signed this coming weekend. Spaak picked up Pinay's reference to Austrian neutrality and a possible four-power guarantee, asking how such a guarantee could be made effective when the powers concerned had not direct territorial access to Austria. In the discussion which followed, it became clear that the three powers were far from agreed on the need for, or the implications of, such a guarantee. It was made clear that there was no question of a guarantee of Austrian neutrality, since this would permit the USSR to interfere in Austrian internal affairs even in the absence of an external threat. It was not clear who had in fact brought up the question of a guarantee, as it appeared that this was not at present treated by the Russians as a precondition of the signature of the Treaty. The suggestion was that the Austrians had themselves requested a guarantee of their territorial integrity, but they had not discussed the point with the western ambassadors in Vienna in any clear-cut manner. In any case, if the three powers were to sign the Austrian Treaty in Vienna this coming weekend, it would be without commitments regarding either an Austrian declaration of neutrality or a four-power guarantee of territorial integrity. The Soviet Ambassador in Vienna had said that he was not authorized to discuss these questions, and they would have to be settled by the foreign ministers at the time of signature. The western powers had immediately stated that their foreign ministers could not, without an opportunity to study Russian views on this matter in advance, undertake to reach agreement in the course of a one or two-day meeting to conclude the Treaty. They would, however, be prepared to discuss the problem at the time of signature on the understanding that the Treaty itself would be signed without conditions and that agreement would be reached later on these other questions. Dulles made it clear that the three powers were aware of the difficulties and implications of accepting commitments linked in any way with Austrian neutrality and made it equally clear that they had not yet studied these problems in sufficient detail to have a clear policy in mind. They were proceeding on the assumption that the Treaty itself could be concluded without their having to take final decisions on these other matters.

[L.D.] WILGRESS

[ANNEXE D/ANNEX D]

*Le représentant permanent auprès du Conseil de l'Atlantique Nord
au secrétaire d'État aux Affaires extérieures*

*Permanent Representative to North Atlantic Council
to Secretary of State for External Affairs*

TELEGRAM 605

Paris, May 11, 1955

CONFIDENTIAL

DISARMAMENT

The disarmament discussion this morning was disappointingly brief. I began with a statement substantially the same as the draft prepared in the Department. To meet the French objection the report on the London meetings had been reduced in length and

couched in more general terms. The American delegation was given the draft in advance and made no strong objection to it, although they indicated that they would have preferred no reference to disarmament as an item for the Four Power agenda. However, as Dulles had already mentioned this on Monday as a subject for discussion in the talks, I referred to his statement when I made this point.

2. The only speakers other than myself were Macmillan and Zorlu of Turkey. Macmillan supported what I said. He said that although the results of the London talks were disappointing on the surface, much useful work had been done which could prove valuable if a new impetus could be given. This impetus might come from a four Power meeting. We would not want to by-pass the United Nations, but we might be able in a Four Power meeting to induce the Russians to adopt a more co-operative attitude.

3. Zorlu said that disarmament should play an important part in Four Power talks. It was the subject on which the sincerity of the Russians could be tested.

4. The discussion on disarmament was completed before we heard from Johnson in London of Malik's new proposals.⁵¹

[L.B.] PEARSON

[ANNEXE E/ANNEX E]

*Le représentant permanent auprès du Conseil de l'Atlantique Nord
au secrétaire d'État aux Affaires extérieures*

*Permanent Representative to North Atlantic Council
to Secretary of State for External Affairs*

TELEGRAM 606

Paris, May 11, 1955

CONFIDENTIAL

MIDDLE EAST

The Turkish representative took the lead in the discussion on the Middle East. He gave a frank and optimistic account of the development of defence pacts with Pakistan and Iraq, which contained, however, little new information. He expressed hope that the Egyptian attitude, which was based on misunderstanding, would change in time.

2. Dulles and Macmillan expressed favourable views on the treaties. The Greek and French representatives also expressed approval, but with cautionary remarks on the political effect in Arab countries. The former indicated readiness to participate in a Middle East security arrangement, but Pinay said it was best for the time being if France stayed out. He spoke also of North Africa, and asked that France's allies, even if they could not offer support, should refrain from supporting those hostile to France.

3. I intervened to offer appreciation of what the Turks had done, but expressed some concern over the effect on Israel. Without questioning in any way the value of the treaties, I thought we should recognize that they had increased Israel's sense of isolation, and had encouraged the Extremists in that country, with resulting and increased danger to peace.

[L.B.] PEARSON

⁵¹ Voir aussi/See also Document 52.

[ANNEXE F/ANNEX F]

*Le représentant permanent auprès du Conseil de l'Atlantique Nord
au secrétaire d'État aux Affaires extérieures*

*Permanent Representative to North Atlantic Council
to Secretary of State for External Affairs*

TELEGRAM 604

Paris, May 11, 1955

CONFIDENTIAL

FAR EAST

Dulles began the Far Eastern discussion with a not very impressive and rather petulant statement of the United States position in Asia in general, and the Chinese Islands in particular. He may have been showing the effects of the discussions on Vietnam with the Americans [French?], which have been very sticky. In some ways the most remarkable part of his statement was his introduction in which he compared Chinese Communism unfavourably with the Soviet version. Although he was clearly not intending to offer an apology for the Bolsheviks, he almost did so by arguing that the Chinese revolutionaries were more belligerent and had shown much more reliance on brutal force than had the Russians. These views should not, of course, be taken out of context, as Dulles may have been somewhat carried away by a desire to tell the Europeans that the peril was greater in Asia than here.

2. Dulles's review of the United States position on the islands was in familiar terms, but showed evidence of recent trends in a somewhat greater emphasis on the possibility of obtaining from both sides a renunciation of the use of force in the somewhat better atmosphere which now prevails. He then went on to plead with the Europeans to trust the United States policy in the Pacific. The United States was not two-faced, and if its policy was acceptable to them in Europe, they should realize that it was equally peaceful in the east. He implied that the European allies did not understand the realities and complexities of the Asian problem by repeating several times that one couldn't comprehend the Far East just by looking at a map. He added, with perhaps a trace of bitterness, that if any of them would like to accept some responsibility in the Far East, the United States would be glad to share theirs with them.

3. Zorlu of Turkey then reported on the Bandung Conference. There was little added that we have not already heard, but it was a candid and interesting account. He made a great deal of the resistance to the neutralists put up by Turkey and its friends and their success in defending the principle of defensive agreements. Nehru was the villain of his story, much more so than Chou En-Lai. He seemed almost himself to have become an admirer of at least Chou's personality and tactics. Nehru, he said, had tried to be the protector of the Chinese, but Chou had shown a desire to break out and establish direct contact with the Arab States, and even with SEATO countries. He didn't try to dominate, he was tactful, and used his undoubted charm with great effect.

4. Pinay made a short statement in which he emphasized the importance of working together with the Americans in Asia. Without offering very specific support to Dulles's policy in and about Formosa, he was clearly trying to offer general support in order to counteract the unhappy effect of American-French differences in Indo-China.

5. Outright support for Dulles came from the Turkish and Portuguese representatives. Then Spaak did a very able job in expressing, without any truculence, the different view

that Europeans had of Quemoy, Matsu and Formosa. He did not think there was a democratic country in Europe which would ask the United States to turn over Formosa to the Communists, but they could not agree that Quemoy and Matsu should be defended. They also took a much less favourable view of Chiang Kai-shek than did the Americans. He concluded with some observations on the necessity for dealing with the Peking régime if there were to be any settlement of Far Eastern questions. This statement of difference was coupled with effective protestations of faith in United States intentions and belief in the need for Europe and the United States to move together even in Asia. As Spaak had made clear that he considered himself to be speaking not for Belgium but for Europe, no further interventions along these lines were necessary.

6. Dulles concluded on a more amiable note of appreciation for other views, but unfortunately repeated his reference to the unsatisfactory education provided by maps.

[L.B.] PEARSON

[ANNEXE G/ANNEX G]

*Le représentant permanent auprès du Conseil de l'Atlantique Nord
au secrétaire d'État aux Affaires extérieures*

*Permanent Representative to North Atlantic Council
to Secretary of State for External Affairs*

TELEGRAM 610

Paris, May 11, 1955

SECRET

COUNCIL MEETING, MAY 10

Item III—Questions involved in the implementation of the Paris Agreements, including the relationship between NATO and Western European Union.

Spaak, in opening the discussion, stated that he was aware that several NATO countries had had misgivings at the time of the London Conference and the signing of the Paris Agreements regarding the practical relationship that would emerge between WEU and NATO. There had been fears of overlapping, duplication and of possible attempts by WEU to take over some of the tasks more appropriately performed by NATO. In his view, the very valuable and frank interchange which had taken place at the current ministerial meeting was a clear indication that priority should be given to the NATO forum. His reasons were as follows:

(a) The survey made at the meeting of the items on the agenda revealed that there could not be any defence of Western Europe without taking into account the situation in other parts of the world and, in any event, defence without the United States and Canada was inconceivable. All major international political questions should therefore be discussed in the NATO Council.

(b) The record of decisions already taken by the NATO Council was impressive. The Council had proved itself to be effective and had reached agreement on a number of fundamental and controversial issues. Although it might be illogical, it was noteworthy that a number of European countries, who appeared quite unable to reach agreement in a restricted European forum, were able to do so in the NATO Council.

(c) NATO had made much military progress, but a military alliance could never be durably sealed unless it was backed by common policies extended over the widest possible area. Every effort should be made to arrive at such policies.

(d) the whole concept of Europe was too limited. The discussions of the last two days had indicated the need for global thinking and Europe could not hope to escape the repercussions of events elsewhere.

(e) The large NATO powers naturally had a leading role to play in the formulation of policies and they provided the most important material defensive elements, but any actions of theirs tended automatically to involve their smaller partners. It was therefore only right that the latter should be kept fully informed of developments in areas which did not, perhaps, affect them immediately and directly, so that they would receive timely warnings of threats to peace. The NATO Council was the proper place for such discussion.

(f) Spaak did not envisage any special new authority to achieve the foregoing purposes, but he hoped that NATO might eventually grow into a sort of commonwealth. The NATO Council would be a commonwealth conference where the different countries, all adhering to the same broad community of ideas, would come together and speak in complete frankness. They would not have to feel bound individually to any specific common course of action, but each representative would endeavour in his own country to bring its policies more closely into line with what appeared to be in the interests of the community as a whole. The commonwealth conception might assist in promoting understanding and with the background of such an atmosphere it would be simpler to explain problems to national parliaments and to the public in member countries.

2. Pinay, Martino and Steel (in the absence of Macmillan) associated themselves with Spaak's remarks. Lange and Cunha, speaking as representatives of non-WEU countries, also stated that Spaak's appreciation had gone a long way to allay their earlier fears that WEU might have a detrimental effect on NATO and particularly on those NATO countries outside WEU. Adenauer caused a temporary flurry by saying that he thought WEU should have a life of its own and that he would like to raise the question of procedures for dealing with matters of international concern in the WEU Council. Beyen, in supporting Spaak, declared that, while he fully appreciated the value of WEU, he feared that the chancellor was trying to qualify the Belgian proposal. He would therefore be grateful for clarification. Adenauer appeared to satisfy Beyen and others by replying that he had been referring to certain fields such as the control of armaments and European economic co-operation which were specifically incorporated in the Paris Agreements. It was his hope that a closer working arrangement between WEU countries would eventually lead to a real European community and this goal should not be lost sight of. He did not disagree with Spaak. Pinay intervened to state that any competition between WEU and NATO would obviously be undesirable, but the latter covered a much larger area. Zorlu reminded the Council that Turkey had submitted a memorandum in January, 1955 (see CR(55)1 of January 13 and Turkish memorandum of January 15, the latter forwarded to you under transmittal slip 199 of January 21)† in which it had been stressed that the surest way to avoid conflict between WEU and NATO was to scrutinize very carefully the existing NATO structure before agreeing to the establishment of any new WEU organs. WEU should only create new agencies in cases where it could be established beyond doubt that there was nothing already in being in NATO for the purpose required.

3. Spaak, in summing up, confirmed that he had had in mind the main political and military questions when making his earlier remarks. He wished to make it clear that he had no desire to minimize the importance of WEU, which had its specific task. It had very

great, if as yet unknown, potential in the economic and social fields. He had not intended to exclude major political discussions from WEU, but he wished to stress the need for the continuation of real detailed interchanges in the NATO Council and the centre of gravity should be there.

4. After Spaak's concluding remarks, we stated that we rejoiced at the spirit which had brought WEU into being. WEU would have its own life, but not one apart from NATO. The exchange of views in the Council had been most valuable and important. Spaak had stressed the need to work out a common policy amongst the NATO partners. This was an essential, if difficult, task. There would have to be frank and full discussion on all controversial matters. This could best be undertaken in the NATO Council which should be regarded as a body of very special importance.

L.D. WILGRESS

4^e PARTIE/PART 4

STATUT DES FORCES EN ALLEMAGNE
STATUS OF FORCES IN GERMANY

188.

DEA/11381-B-40

*Note du sous-secrétaire d'État aux Affaires extérieures
pour le secrétaire d'État aux Affaires extérieures*

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

CONFIDENTIAL

[Ottawa], May 12, 1955

FUTURE STATUS OF CANADIAN FORCES IN GERMANY

The purpose of this memorandum is to report to you on the present situation with regard to the proposed supplementary Status of Forces Agreement with the Federal Republic of Germany. This agreement will be negotiated between the NATO countries having forces in Germany and the Federal Republic. When it has been concluded, the supplementary agreement and the NATO Status of Forces Agreement⁵² to which the Federal Republic is expected to accede, will replace the Bonn Conventions (Forces and Finance Conventions) which now govern the status of allied forces in Germany.⁵³

Procedure

The recommendations of the Three Powers regarding the procedure for negotiating the agreement were discussed recently at a meeting in Paris between representatives of all NATO countries having forces in the Federal Republic. There was general agreement on all points save the Chairman. No chairman has yet been appointed. Certain countries, including ourselves and the U.K., are still in favour of a NATO chairman for these negotiations but the U.S. and France are opposed to this idea. Belgium, Denmark and The Netherlands have been named as possible countries which might provide a chairman. A paper

⁵² Voir volume 17, le chapitre 5, 6^e partie./See Volume 17, Chapter 5, Part 6.

⁵³ Le Canada a accédé à la Convention sur les forces armées le 3 mai 1955. Voir Canada, *Recueil des conférences*, 1955, N° 1. Voir aussi Canada, *Recueil des traités*, 1956, N° 26.

Canada acceded to the Forces Convention on May 3, 1955. See Canada, *Conference Series*, 1955, No. 1. See also Canada, *Treaty Series*, 1956, No. 26.

based on the recommendations of the Three Powers as approved by the other NATO countries concerned has been given to German officials in Bonn for their comments.

Substance

At the present time a tripartite (U.K., U.S. and France) working group in Bonn is preparing a draft paper regarding the points which they would like to see covered by the Supplementary Status Agreement. When the Three Powers have reached agreement among themselves on this substance paper they will ask the other countries having forces in Germany to comment on it. When agreement is reached between all the allied countries with forces in Germany on what concession should be asked from the Germans this substance paper will be discussed with the Federal Republic.

According to the information we have been able to obtain from U.K. and U.S. sources it is apparent that from the beginning the U.K. and U.S. forces wanted to ask for considerable concessions from the Germans. However, the Foreign Office and the State Department have, to some extent, whittled down their demands to a point where they can be considered as politically feasible.

At a recent ad hoc meeting in the Department of National Defence, at which a representative of this Department was present, the services reviewed all the points of substance which it is expected will be contained in the tripartite paper, and have evaluated their importance with respect to Canadian forces. The views of the Department of National Defence will eventually be sent to this Department for comment and eventual incorporation into the instructions for the Canadian negotiating team.

On the whole we think that the Department of National Defence are being realistic about the concessions which should be asked from the Germans. It may be, however, that for political reasons this Department will be reluctant to support all of the concessions which our forces or those of other NATO countries would like to obtain from the Germans. In this event, presumably Ministers will have to decide whether it would be in Canada's interest to support other NATO countries, particularly the Three Powers, in demanding certain concessions from the Germans which may not strictly speaking be commensurate with the Federal Republic's new position as a member of NATO.

Over the next two or three weeks we shall be preparing the instructions for the Canadian negotiating team in consultation with the other departments concerned. When agreement has been reached at the official level we would propose to seek Cabinet approval of these instructions.

It is doubtful if the actual negotiations with the Germans will start before early July.⁵⁴

J. L[ÉGER]

⁵⁴ Note marginale :/Marginal note:

Have we any right — or would it be wise to ask for concessions which we would not ourselves be willing to grant German forces in Canada[?] L.B. P[earson]

189.

DEA/11381-B-40

*Note du sous-secrétaire d'État aux Affaires extérieures
pour le secrétaire d'État aux Affaires extérieures*

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

CONFIDENTIAL

[Ottawa], May 27, 1955

FUTURE STATUS OF CANADIAN FORCES IN GERMANY

When I reported to you on this subject in my memorandum of May 12 (copy attached), you inquired: "Have we any right — or would it be wise to ask for concessions which we would not ourselves be willing to grant German forces in Canada."

In my opinion, there is little doubt that we have a right to seek, in the forthcoming negotiations with the Federal Republic of Germany, such a treatment as is — within reason — necessary to ensure an adequate status for our forces in that country, irrespective of reciprocity. International agreements imposing obligations on only one of the contracting parties are, of course, not a novelty. They are known as unilateral bipartite treaties or unilateral multipartite treaties when they are concluded by two or several contracting parties respectively. (McNair, "Law of Treaties" (p.5) speaks of such bilateral treaties imposing obligations on one side only as being in the nature of "a unilateral treaty, e.g. a pure treaty of gratuitous cession of territory, a pure treaty undertaking to pay an indemnity for a wrong ...")⁵⁵ On the other hand, most of the Peace Treaties and all the War Graves Agreements concluded by Canada can be described as unilateral multipartite treaties, since they are concluded by several States though they usually impose obligations on one State only.

Therefore, whether in the final instance the future status of foreign forces in Germany eventually takes in part the form of a unilateral multipartite agreement between countries having forces stationed there on the one hand, and the Federal Republic on the other, or of unilateral bilateral agreements between Germany and each of these States (e.g. Canada), I am confident that the granting by Germany of "one-sided concessions" would not be unorthodox. In point of fact, however, the German Government has already recognized the necessity of concluding certain arrangements which will not be based on reciprocity with the countries now having forces in their territory: in Article 8, para. 1(b) of the Convention on Relations between the Three Powers and the Federal Republic of Germany, signed on May 26, 1952, as amended by the Protocol on the Termination of the Occupation Régime signed on October 23, 1954, it is provided that the Forces Convention:

"shall remain in force until the entry into force of new arrangements setting forth the rights and obligations of the forces of the Three Powers and other States having forces in the territory of the Federal Republic. The new arrangements will be based on the Agreement between the Parties of the North Atlantic Treaty regarding the Status of their Forces, signed at London on June 19, 1951, supplemented by such provisions as are

⁵⁵ Voir/See Arnold Duncan McNair, *The Law of Treaties: British Practice and Opinions*, Oxford: Clarendon Press, 1938, p. 5.

necessary in view of the special conditions existing in regard to the forces stationed in the Federal Republic".⁵⁶

These "special conditions" existing in the Federal Republic are obvious: large bodies of troops must be maintained there in combat readiness and must be in a position to act quickly and independently in the event of a threat of attack. There should be little doubt that the Germans will be prepared to admit that conditions in their country are "special" and to abide in principle by their obligation under Article 8, 1(b) of the Convention of Relations, in the course of the discussions on the Status of Forces.

While we seem to have a clear *right* to seek unilateral concessions from the Germans in the forthcoming negotiations, the question whether it is *wise* for the Canadian negotiators to request such concessions is a somewhat more delicate one. It is perhaps best assessed in para. 1 to 6 (inclusive) of Letter No. 380, dated April 29, 1955,† from the Canadian Embassy in Bonn (a copy of which is attached for your information). Indeed, I am given to understand that the interdepartmental group presently engaged in preparing instructions for the Canadian negotiating team is relying largely on this report to formulate its draft directives. The report shows, I think, that:

(a) we are undoubtedly bound, while respecting Germany's position as an equal partner in NATO, to request for our forces in the Federal Republic a status which will go beyond that which the "old" parties to the NAT have mutually agreed upon under the NATO Status of Forces Agreement (to which Germany is expected to adhere in any event);

(b) we could not afford to deprive ourselves of those requirements which the military authorities of the NAT countries view as essential to the security, operational efficiency and well-being of our forces in Germany;

(c) considering that the countries having forces in Germany have already implicitly agreed to seek jointly unilateral concessions from that country and that, among these countries, Canada's bargaining power will be obviously limited (compared to that of say the United Kingdom or the United States of America), it is necessary for us to approach the Germans as members of the "common front".

I would submit, therefore, that it is indeed appropriate for us to strive in the forthcoming negotiations for such concessions as are considered to constitute necessary requirements for our forces, irrespective of the status which we would theoretically be willing to extend to any German forces that might eventually be stationed in Canada.⁵⁷ At the same time, however, we must not lose sight of the fact that these concessions are not being extracted, so to speak, by old NATO allies negotiating from a position of pre-eminence

⁵⁶ Pour respecter l'article 4 de cet accord, le Royaume-Uni, la France, les États-Unis et la République fédérale d'Allemagne ont, le 23 octobre 1954, signé la Convention sur la présence de forces étrangères sur le territoire de la République fédérale d'Allemagne. Voir *Documents on Germany under Occupation, 1945-1954*, Oxford: Oxford University Press, 1955, pp. 616 à 627. Le 3 mai 1955, le Canada accédait à cette convention, aux termes de laquelle les trois grandes puissances occidentales acceptaient de ne pas exercer leur droit de stationner des forces armées sur le territoire de la République fédérale sans le consentement de Bonn. Voir Canada, *Recueil des traités*, 1955, N° 7.

To fulfill Article 4 of this agreement, the United Kingdom, France, the United States and the Federal Republic of Germany signed the Convention on the Presence of Foreign Forces in the Federal Republic of Germany on October 23, 1954. See *Documents on Germany under Occupation, 1945-1954*, Oxford: Oxford University Press, 1955, pp. 616-627. On May 3, 1955, Canada acceded to this convention in which the three major Western powers agreed not to exercise their postwar rights to station armed forces in the Federal Republic without Bonn's consent. See Canada, *Treaty Series*, 1955, No. 7.

⁵⁷ Note marginale :/Marginal note:

I agree L.B. P[earson]

with a junior partner, but are legitimated by the explicit recognition on the part of Germany of the existence of special circumstances surrounding the presence of the Allied troops in the Federal Territory.

J. L[ÉGER]

190.

DEA/11381-B-40

*Note de la Direction juridique
pour le sous-secrétaire d'État aux Affaires extérieures*
*Memorandum from Legal Division
to Under-Secretary of State for External Affairs*

CONFIDENTIAL

[Ottawa], August 17, 1955

Reference; Telegram No. 181 of August 15, 1955† from Bonn.

CHAIRMANSHIP OF NEGOTIATIONS FOR A SUPPLEMENTARY STATUS
OF FORCES AGREEMENT WITH THE GERMANS

You will note from the attached copy of telegram No. 181 from Bonn that the Germans have approached the Embassy to ask whether Canada would be willing to accept the permanent chairmanship of these negotiations. As it would appear from this telegram that the German Ambassador or the United Kingdom High Commissioner may raise this question with you, you may wish to have a résumé of its history.

2. The suggestion that Canada provide a chairman was first broached by British officials to our Embassy in Bonn; later the question was again raised twice with our Embassy in Washington by the State Department; finally Mr. Dulles asked the Minister to reconsider our decision when he visited Ottawa last winter.⁵⁸ On all these occasions we stated quite flatly that we were not prepared to assume the chairmanship.

3. Our reasons were partly political and partly administrative (i.e. lack of a suitable officer who could be spared for the job). The political reasons were originally set forth by Mr. Ritchie in his telegram No. 14 of January 19, 1955,† in the following terms:

"4. Spens was unable to say why the British have given way to the Americans on the question of the chairmanship. Whatever the reason, however, it would seem to me unfortunate if this last formal link between the forthcoming negotiations and NATO were lost. From the Canadian standpoint I can see no advantage to accepting the chairmanship of such a group, particularly as we might on occasion find ourselves having to act as "Allied spokesman". The very fact that we have so far kept clear of the stigma (in German eyes) of being "occupation" forces makes it the more desirable in terms of German-Canadian relations that we should not at this stage, get ourselves in the position of representing the ex-"occupation" powers in a series of difficult negotiations with the Germans which will touch upon many sensitive points and may well cause friction with the Germans. The interests of our forces here could hardly be served by a development of this kind and it seems to me that if a non-NATO chairman is necessary it would be better to select one from a country more closely associated with the occupation and whose forces here are smaller than ours, e.g. Belgium, Denmark. The special relationship which exists between our forces and the British and French forces in Germany is perhaps an additional reason why the chairmanship of such a group would present us

⁵⁸ Voir/See Document 300.

with unusual difficulties. I have in mind particularly, of course, the degree to which the brigade has been integrated into the British Army of the Rhine."

4. When reconsidering the matter, at Mr. Dulles' request, we asked Mr. Ritchie to restate his views which he did in telegrams No. 53 of March 25[†] and No. 55 of March 28,[†] 1955, as follows:

"4. I think the German position has a bearing on the question of our acceptance of the chairmanship. As (group corrupt) told them of our preference for a NATO Chairman (paragraph 6 of my telegram No. 31 of February 15[†]) and if they persist in their own preference for a NATO Chairmanship, the position of a Canadian Chairman would be difficult. The situation would, of course, be different if the Chairman was a Canadian nominated by NATO. It would certainly seem essential that all parties to the negotiation should be in agreement on a Canadian as Chairman if we are to accept the job.

6. In addition, so far as our own acceptance is concerned, I should be reluctant to see Canada assuming rather central responsibility in negotiations which touch on extremely sensitive points as far as the Germans are concerned. It is easy to see from the point of view of the United States that it would be convenient to have Canada in the chair but having avoided the odium (in German eyes) of being an occupying power ourselves, it seems to me that we should not be put in this position.

7. With regard to the qualifications of the chairman, the consensus of opinion here which I share indicates that the chairman, while he need not have legal training, should be a senior and experienced person with a good grasp of the delicate and complicated political factors which will be involved in the negotiations. He should be a civilian (the three powers plan to be represented by civilians)."

"So far as Canadian chairmanship is concerned, it is becoming increasingly clear that the distinction would be between a Canadian chairman representing Canada in a non-NATO type negotiation and a Canadian individual nominated by NATO as NATO chairman. While our objections to the former still stand the latter would not be open to the same objections. I do not know if Dana Wilgress would be free to accept, but he would, of course, be the ideal chairman from every point of view if the plenary sessions of the negotiations take place under NATO auspices in Paris over which he could preside, to be followed by detailed work carried on by working groups in Bonn."

5. You will note that Mr. Ritchie indicated that his objections to a Canadian chairman would not apply with the same validity if the chairman were to be designated by NATO. According to paragraph 1(a) of telegram No. 180[†] from Bonn (copy attached) the Germans have suggested that it should not be necessary to have a chairman designated by NATO, but that it would be sufficient simply for the North Atlantic Council to take note of the chairman's name in their resolution regarding the negotiations. I do not know whether this formula proposed by the Germans would invalidate our political objections to the same extent as having the chairman actually designated by the North Atlantic Council, but it would seem that the distinction in this regard is becoming rather fine.

6. We now have a situation where the United States, the United Kingdom and the Federal Republic are very anxious that Canada should provide a permanent chairman for these negotiations. Presumably, the Dutch, the Belgians and the Danes would have no objection to a Canadian chairman. Only the French, as we have learned indirectly through the British and Americans, might be opposed to a Canadian chairman, on the grounds that we might be too "magnanimous" towards the Germans.

7. I might add that, in replying to Mr. Dulles' approach, the Minister intimated to the American Ambassador that the main reason we were not able to take on this job was that we did not have a suitable person available.⁵⁹

GILLES SICOTTE

191.

DEA/11381-B-40

*Note du sous-secrétaire d'État aux Affaires extérieures
pour le secrétaire d'État aux Affaires extérieures*

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

CONFIDENTIAL

Ottawa, September 1, 1955

CHAIRMANSHIP OF NEGOTIATIONS WITH THE GERMANS FOR A
SUPPLEMENTARY NATO STATUS OF FORCES AGREEMENT

As I mentioned to you on the telephone a few days ago, the United Kingdom Deputy High Commissioner and the German Ambassador have each called on me to urge that we reconsider our earlier decision not to accept the chairmanship of these negotiations. Since then, the Danish Minister, on instructions from his Government, has also called on the Department to say that the Danish Government wished to associate itself with the German démarche and that they would be very happy if Canada could see its way to providing a chairman.

2. We have replied to these approaches, saying that we have been in touch with you and that you had agreed to review this matter on your return to Ottawa next week.

3. The present situation with regard to the chairmanship of these negotiations is outlined in the attached CRO telegram No. 1065. You will note that both the Dutch and the Danes have turned down the chairmanship and that none of the remaining alternatives to a Canadian chairman (i.e., a Belgian, a German or a rotating chairman) would appear to be acceptable to all of the other States concerned. Under these circumstances, if we refuse to accept the chairmanship, we shall in effect be refusing to help our friends out of a difficult situation.

4. The reasons why we decided to turn down the chairmanship are set forth in a memorandum dated August 17, prepared by the Legal Division, a copy of which is attached for your convenience. You will see that our reasons were both political and administrative. As regards the political objections, I have spoken to Mr. Ritchie, our Ambassador in Bonn, who thinks that, under the present circumstances, there would be no serious political consequences from the Canadian point of view if we were to accept the chairmanship. There remains, of course, the difficulty of finding a suitable person for the job, but this, I believe, is not an insurmountable problem.

5. Taking all things into consideration, I think that the Canadian Government might agree to provide the chairman for these negotiations on the following conditions:

(a) that the invitation to provide the chairman has the unanimous approval of all the states concerned;

⁵⁹ Note marginale :/Marginal note:

I am absolutely opposed to having a Canadian chairman & it isn't feasible anyway. M. W[ershof]

(b) that the appointment of a Canadian chairman is endorsed by the North Atlantic Council; and

(c) that Canada is not required to provide the secretariat for the negotiations.

6. I might add that, if Canada is the unanimous choice of all the states concerned, there should be no difficulty about conditions (b) and (c), since it has already been agreed between representatives of the sending states and the Federal Republic in Bonn

(i) that the chairman would be designated (or noted) by the North Atlantic Council in the draft resolution regarding these negotiations which is to be put before the Council; and

(ii) that the Federal Republic will establish a secretariat under a German Secretary General, to which will be attached personnel made available by the other sending states.

There is no obligation under this arrangement for Canada to make personnel available to the secretariat, although it has been suggested by the Embassy in Bonn that, if we are to provide the chairman, we may also wish to provide a junior officer to assist him.

7. In view of the foregoing, I would recommend that we should notify the United Kingdom Deputy High Commissioner, the German Ambassador and the Danish Minister that Canada is prepared to provide the chairman of these negotiations under the conditions outlined in paragraph 5 above. I think it would also be appropriate, in view of Mr. Dulles' approach to you last winter, to instruct our Ambassador in Washington to notify the State Department of this decision. Do you agree?⁶⁰

J. L[ÉGER]

192.

DEA/11381-B-40

*Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur en République fédérale d'Allemagne*

*Secretary of State for External Affairs
to Ambassador in Federal Republic of Germany*

DESPATCH L-601

Ottawa, September 30, 1955

CONFIDENTIAL

Reference: Your letter No. 720 of Aug. 23, 1955† and our telegram No. 211 of Sept. 15.†

NEGOTIATIONS FOR A SUPPLEMENTARY NATO STATUS OF FORCES AGREEMENT
WITH THE FEDERAL REPUBLIC OF GERMANY

An ad hoc committee in the Department of National Defence has studied the position papers prepared by the Three Powers and I am attaching three copies of their report to the

⁶⁰ Léger a ajouté à la main la note suivante :/Léger added the following note by hand:

Mayrand has agreed to serve as Chairman & would be available as of December 1st.

Comme la République fédérale d'Allemagne était très désireuse de commencer les négociations sans tarder, la nomination de Mayrand a été rejetée à la mi-septembre. Il a été remplacé par un Belge.

As the Federal Republic of Germany was anxious to start the negotiations as soon as possible, Mayrand's nomination was rejected in mid-September. He was replaced by a Belgian.

Chairman, Chiefs of Staff.⁶¹ This report has been approved by the Chiefs of Staff and, subject to certain comments indicated in Appendices "C" and "D" to the report, by the civilian government departments concerned in Ottawa. You may, therefore, regard the views set forth in the report (and appendices), together with the general principles enunciated below, as constituting your brief for these negotiations. If there are any matters which are not clear to you or which are not covered in this brief, please let us know.

Procedure

2. It is our understanding that the general procedure for the negotiations will be that laid down in the Aide-Mémoire which was presented to the Germans on April 28, 1955 (your letter No. 393 of May 5, 1955†) as subsequently amended to take account of accepted German suggestions (your telegrams 160 of July 15† and 220 of September 27, 1955†).

Form

3. The question of the form of the Supplementary Agreement has not been definitely settled, but we understand that it may be contained in a number of bilateral instruments between the Federal Government and each of the sending states, these instruments being identical in content. In addition, each sending state may individually make certain additional arrangements on its own to cover items which are not appropriate for the Supplementary Agreement. These extra items would be covered in less formal ways, such as exchange of letters, administrative arrangements, agreed minutes or even verbal understandings.

4. We are leaving it to your discretion to decide, in concert with the delegations of the other sending states, which is the most appropriate form of agreement for the various items contained in the Three Power position papers. At the moment there are no items outside the position papers which the Canadian Forces wish to have discussed during the negotiations. Should the need for extra items become apparent during the course of the negotiations, we shall send you additional instructions regarding them.

Reciprocity

5. It may be that the Germans will raise the question of reciprocity during the negotiations. In this event, you should make it quite clear to them that we are not prepared to accept the principle of reciprocity. Since it is likely that the other sending states will be equally opposed to agreeing to extend reciprocal privileges at these negotiations, we hope that representatives of the sending states will be able to agree upon a common line in this regard before the negotiations commence. In our view, the language of Article 8, paragraph 1(b) of the Relations Convention as amended by the Protocol on the Termination of the Occupation Régime signed at Paris on October 23, 1954 makes it quite clear that the purpose of the Supplementary Status of Forces Agreement is to provide for the "special conditions" existing in the Federal Republic. There should be no question, therefore, of Canada agreeing to extend similar concessions to German Forces on Canadian territory. If the

⁶¹ Ce long rapport technique n'a pas été publié. Il porte sur les 38 documents de principe que le Royaume-Uni, les États-Unis et la France ont produits relativement aux besoins administratifs des forces de l'OTAN en Allemagne. Cela va de questions simples, par exemple les cartes d'identité et les permis de conduire, à des sujets plus complexes, comme les achats locaux, les employés civils, les devises et le change, la fiscalité et le logement.

This lengthy technical report is not printed. It comments on the 38 different U.K.-U.S.-French position papers on the various administrative needs of NATO forces in Germany. These range from simple questions concerning identification cards and drivers licences to more complex issues dealing with local procurement, civilian employees, currency and foreign exchange, taxation and accommodation.

Germans suggest that the sending states should agree in principle to extend the privileges in the Supplementary Agreement to German Forces (or, indeed, to all NATO Forces) who might some day be in their territory under conditions similar to those now obtaining in Germany, you should oppose this suggestion on the grounds that we would not wish to commit ourselves in advance on this matter. If the Germans persist in their argument and suggest that we should at least agree in principle to consider the question of reciprocity in circumstances similar to those in Germany, you should ask us for further instructions.

6. For your own information, our reasons for opposing any suggestion of reciprocity are twofold: in the first place we must bear in mind the possibility that concessions obtained for Canadian Forces in Germany might be used as a lever by the United States for seeking further concessions for United States Forces in Canada. In this connection, you will note that there are certain items in the Three Power position papers, particularly in connection with import duties and customs privileges, etc., which, because of the reciprocity aspect, it would not be appropriate for you to press for, although there are, of course, no objections to accepting these concessions for Canadian Forces if the Germans are willing to grant them unilaterally. Secondly, in view of the possibility that some day German airmen may come to Canada under the NATO Air Training Plan, we would not wish at these negotiations to be placed under any obligation to extend to these German airmen the same privileges as our forces would be enjoying in the Federal Republic under the Supplementary Agreement.

Summary

7. It seems obvious to us that the Three Power position papers represent an extreme position which is not likely to be acceptable to the Federal Republic. In fact, many of the concessions requested in these papers are not really essential to the efficient operation of Canadian Forces in Germany, and it is doubtful if they will all be granted by the Germans. In deciding the items on which you may yield to German objections, we think you should be guided by the attitude of the Three Powers who, in the final analysis, will be carrying the main burden of the negotiations. Should there be a difference in the attitudes of the Three Powers, we think that, as a general rule, it will be in Canada's interests to support the United Kingdom position rather than the United States, since the United Kingdom is faced with much the same problems as Canada in regard to the reciprocity aspect of these negotiations.

8. Your chief concern should be to see that the future status of Canadian Forces in the Federal Republic is equal to that of the forces of the other sending states, in particular the United Kingdom and the United States.

JULES LÉGER
for Secretary of State
for External Affairs

5^e PARTIE/PART 5MODIFICATIONS AUX CONTRIBUTIONS DE LA FORCE NATIONALE
ALTERATIONS IN NATIONAL FORCE CONTRIBUTIONS

193.

DEA/50030-AB-5-40

*Note du chef de la 1^{ère} Direction de liaison avec la Défense
pour le sous-secrétaire d'État aux Affaires extérieures*

*Memorandum from Head, Defence Liaison (1) Division,
to Under-Secretary of State for External Affairs*

SECRET

[Ottawa], June 16, 1955

TRANSFER OF FRENCH FORCES TO NORTH AFRICA

The recent action of the French Government in withdrawing a French division from SACEUR for service in Algeria raises again the important issue of what obligations NATO countries assume when they assign, or earmark for assignment, to NATO certain military forces. For a long time these obligations remained vague and undefined, but during the past year efforts have been made to clarify them. The first of these efforts was during the negotiations preceding the London and Paris Agreements of last October. At that time it was feared that, if NATO countries were not specifically precluded from deploying forces they had assigned to SACEUR in Europe, except with the express permission of the NATO military authorities, a rearméd Germany might use her forces along the eastern frontier in a way prejudicial to peace. It was in everybody's mind that the Italian Government had previously, at the time of one of the Trieste crises, moved to the Yugoslav frontier two armoured divisions which were nominally under NATO command without consulting the NATO military authorities at all. It was not desired to repeat this experience with German forces.

2. After considerable discussion at the Nine-Power Conference, the following formula was finally adopted and incorporated in the NATO Council resolution of October 22 on SACEUR's revised terms of reference:

"The North Atlantic Council agrees, in the interest of most effective collective defence, that ... forces under the Supreme Allied Commander Europe and within the area of Allied Command Europe shall not be redeployed or used operationally within that area without the consent of the Supreme Allied Commander Europe, subject to political guidance furnished by the North Atlantic Council, when appropriate, through normal channels."⁶²

3. In combination with the Council's decision that all forces of member nations stationed in the area of Allied Command Europe should (with certain exceptions) be placed under the authority of SACEUR and under the direction of the NATO military authorities, this formula ensures that no German forces (except limited forces for internal security) could be moved without the consent of SACEUR. It did not have this effect with respect to French forces, however, since forces intended for the defence of overseas territories were, in addition to forces for internal security, explicitly excluded from the rule that all forces should be placed under SACEUR's authority. Thus, in the case of France (and other NATO countries in Europe with overseas territories) the above-mentioned provisions of the Paris

⁶² Voir/See Volume 20, Document 348.

Agreements placed a restriction only on the movement within the area of Allied Command Europe of forces which continued to be assigned to SACEUR. They could not prevent France, for example, withdrawing her own forces from SACEUR's command and placing them under national command, or retaining under national command forces which had been raised for assignment to SACEUR, or moving forces assigned to SACEUR from a location inside the area of Allied Command Europe to a location outside that area.

4. In this latter connection it should be noted that the area of Allied Command Europe, although not so far fully defined, was agreed during the London and Paris Conferences to exclude all French North Africa and Portugal.

5. The second of these efforts to clarify member countries' NATO obligations has been concerned with the separate question of the right to withdraw forces actually assigned to NATO, or to alter established force contributions to NATO, and with the procedures for doing so. During the past year there has been an increasing tendency on the part of certain member countries to make changes in their force contributions to NATO, both current and future, by unilateral decision and action and to present NATO with the accomplished fact. Last summer, for example, in the middle of the NATO Annual Review, which is designed of course to examine member countries' defence plans, the Belgian Government decided to reduce drastically the air forces she had previously undertaken to raise for NATO and refused to reconsider this decision. The Danish Government also reduced its defence estimates at about the same time without any prior consultation with NATO, but later agreed during the Annual Review to reconsider them. The latest French action is but another in a series of unilateral decisions by the French Government which have progressively reduced the size and effectiveness of the French commitment to SACEUR.

6. The obligations involved in these cases of force reduction are those undertaken when member countries adopt each year, at the end of the Annual Review process, firm force goals for the next year. The NATO forces are organized on the assumption that certain national components will be contributed and maintained by various member countries. These contributions are established in the force goals, which provide the Supreme Commanders with a statement of what they can count on in drawing up NATO defence plans. These contributions can be, and often are, modified in the course of the Annual Review each year. But the goals for the immediately following year, once they are adopted, are regarded as firm commitments until they are reviewed during the next Annual Review. It can therefore be justifiably argued that member countries have at least a moral obligation not to make marked changes to their contributions except through the Annual Review process, or in a manner which will provide for prior consultation with the NATO military authorities and the Council. Otherwise the whole basis of NATO defence planning would be jeopardized if national components could be withdrawn from the NATO forces, reduced or moved at will at any time by the countries concerned.

7. It was with such considerations in mind that the Standing Group, at the suggestion of the Secretary-General, formulated a procedure for NATO countries to follow in reporting alterations in their established force contributions to NATO. According to this procedure a member country would inform the North Atlantic Council, the Standing Group and the Allied Commander concerned, whenever it intended to reduce the number or strength of units assigned to or earmarked for NATO commands, to change the location of such units or to change their availability date. The North Atlantic Council, with the military advice of the Standing Group, would then consider whether any proposals or recommendations should be made to that country. This procedure has so far been approved by the Military Representatives Committee and has been submitted to the Council, which is scheduled to consider it shortly. As you know, this Department was consulted when the proposed proce-

ture was before the Military Representatives Committee and on instructions from the Minister we expressed general agreement with it.

8. It is clear that the French Government's action in moving a division to Algeria, and in announcing this decision to the press before any consultation with NATO could be held, is not in accord with the procedure proposed by the Secretary-General which, although not finally adopted by the Council, had at least been approved by the Standing Group and the Military Representatives Committee, including presumably the French representatives on these bodies. Such action seems to be in conflict with the principle of collective partnership on which the present NATO military structure rests, and if this precedent is followed it may well necessitate reconsideration of the whole basis of national contributions.

9. The point at issue is not whether the French action was justified, in terms of the threat to the security of Algeria, a part of the NATO area, but whether the French Government should take upon itself alone to assess that threat in relation to the threat to other parts of the NATO area and to take measures affecting the security of the NATO area as a whole without adequate consultation with its allies. If the NATO forces in Europe were nothing more than a collection of national forces under national direction, the situation would be entirely different; but in creating an integrated force under SACEUR, and in financing in common the infrastructure facilities required by these forces and their unified headquarters, the NATO countries have implicitly accepted the principle of collective action and responsibility in defence matters. Unless this principle is respected the system of integrated forces will not work.

10. There seems to be little the Council can do in the present instance, except to withhold any approval, explicit or implied, of the French action. But consideration of the proposed Standing Group procedure referred to above would provide a good opportunity for members of the Council to emphasize the importance of the principle of consultation which it embodies and to sound a warning that this principle must be respected both in the spirit and in the letter if the strength of NATO is to be maintained.

11. The Permanent Representatives will be discussing the French action on June 22 and Mr. Wilgress has asked for our comments. If you agree I will prepare for your signature a telegram incorporating the views outlined in paragraphs 8, 9 and 10 above.

G. IGNATIEFF

194.

DEA/50030-AB-5-40

*Note du chef de la Direction européenne
pour le sous-secrétaire d'État aux Affaires extérieures*

*Memorandum from Head, European Division,
to Under-Secretary of State for External Affairs*

SECRET

[Ottawa], June 17, 1955

Reference: DL (1) Division's Memorandum to you of June 16.

TRANSFER OF FRENCH FORCES TO NORTH AFRICA

A copy of telegram No. 718 of June 6† from CANAC was referred to this Division and I notice that DL (1) Division is preparing for our Representative on the North Atlantic Council comments on the recent French action in transferring to Algeria a motorized infantry division which was committed to SACEUR. I understand that an appraisal of the strategic significance of this development is being prepared. Strategically, there may be much to

be said for making secure NATO's southern ramparts and it is difficult not to sympathize with the French dilemma in North Africa but I do not see how we can do otherwise than look askance at unilateral action which, if accepted as a precedent, could lead to the dispersal in all directions of SACEUR's forces in central Europe.

2. Although the French action was bound to cause considerable consternation⁶³ in NATO circles, it should not have caused much surprise. There have been the following unmistakable indications of French policy in this matter:

(a) In 1954 when there was an urgent need for reinforcements to save the situation in Vietnam, forces amounting to two light divisions were withdrawn from the French contribution to NATO forces.

(b) When trouble developed in Tunisia in March, 1955, these two divisions were sent there instead of being returned to Europe, after an armistice had been concluded in Indo-China.

(c) France insisted on attaching to the European Defence Community Treaty a protocol which provided the right to withdraw troops from Europe when military necessity overseas required such action.

(d) The Ex-Gaullists who are strongly represented in the present French Government have consistently maintained that France must keep sovereign control of her armed forces.

3. Undoubtedly a claim can be made that France is protecting NATO interests in the Algerian Departments which are within the NATO area, but it should be remembered that in the previous instances of this kind, mentioned in sub-paragraphs (a) and (b) above, the forces were despatched beyond the NATO sphere. It is largely coincidence that Algeria happens to be within the NATO area and this is not a positive consideration.⁶⁴ When the movement of this division was announced, the Prime Minister of France said that the troops would be returned to Europe as soon as the situation in Algeria permitted but this does not alter the fact that in the interim period the forces in question are not available to SACEUR. There may also be some doubt about the extent of SACEUR's authority as it is defined in the Paris Agreements and elsewhere. However, none of these arguments detract from the fact that France is withdrawing one of the best divisions she had committed to SACEUR's command, that the French action is contrary to the whole concept of building up NATO's deterrent strength, and that it constitutes an unfortunate precedent.⁶⁵

4. The French Government is in a very difficult and delicate position. Following up the initiative of M. Mendes-France, the Prime Minister, M. Faure, has courageously signed a series of Conventions granting a large measure of autonomy to Tunisia. These Conventions are scheduled to be debated next month in the French National Assembly. The right-wing parties, among them the Ex-Gaullists, have consistently opposed emancipation of the French colonies and these groups are represented in key posts in the Faure Cabinet. For example, both the Minister of National Defence, General Koenig and M. Gaston Paleski who is responsible for defence coordination, production and research, are ExGaullists. Nevertheless, the Government is said to be optimistic about the prospects of obtaining Assembly approval of the Tunisian Conventions and it is conceivable that the Ex-Gaullists have agreed not to oppose this "fait accompli" if the Government will take stern measures

⁶³ Note marginale :/Marginal note:
is that so? [Jules Léger]

⁶⁴ Note marginale :/Marginal note:
this has no direct bearing on the present problem [Jules Léger]

⁶⁵ Note marginale :/Marginal note:
"another unfortunate precedent" [Jules Léger]

to put down insurrection in Algeria and Morocco. At any rate the Faure Government, a right of center coalition, could not continue in office without the support of the majority of the Conservative deputies, many of whom represent vested interests in North Africa or the opposition of the "Presence Française" which is particularly strong in Algeria.

5. The seriousness of the situation in Algeria is undeniable but the wisdom of some of the French measures to meet this situation seems questionable. Harsh repressive measures in Algeria have driven moderate nationalists underground and the revolutionary influence of the Algerian Communist Party has probably increased. The state of emergency which was proclaimed in March, 1955, has not had the intended effect of localizing fellagha activities and nationalistic extremists who had been driven into the mountains on the Tunisian border are infiltrating the metropolitan areas, committing acts of terrorism and sabotage. Some French commentators have expressed fear that the pattern of Vietnam may be repeated and that the attempt to stamp out violence through the deployment of sufficient military force may precipitate open warfare.

6. What can the French Government do? If it does not take steps to stop terrorism in Algeria, Parliamentary approval of the Tunisian Conventions might be prejudiced and France would be subject to severe criticism if these accords were not ratified. On the other hand, the military force required for immediate and effective action can only be found from the NATO command and this, too, causes criticism. The crux of the matter is, of course, that France is no longer capable, militarily or economically, of playing the part of a big power simultaneously in Europe, Africa and Asia;⁶⁶ yet she is reluctant to give up a role which is the basis of internal morale and of France's future. Nevertheless, any action which weakens NATO and the fundamental concept of collective security which SACEUR's command represents is very disturbing.

7. The French Government has already taken unilateral action and both SACEUR and the Standing Group have accepted the situation with reluctance. In these circumstances, it is difficult to see how the Council can do more than express regret. If it did, the French might ask for NATO assistance in combating a threat to the Organization in an area within its competence. In the latter event NATO would have to consider the repercussions in Asia and the Middle East of intervention against the nationalistic aspirations of a dependent territory.⁶⁷ Some members of the Arab-Asian group will undoubtedly accuse NATO of intervention or connivance on the grounds that a division committed to SACEUR has been withdrawn to Algeria without objection from the Council. However, this does not justify a discussion of the question in the North Atlantic Council and if the Council were to consider an item of this kind, it would be difficult to refuse NATO consultation on Goa, Cyprus and other dependent or "colonial" territories. The fundamental fact is, of course, that Western defence is affected by these problems and will be weakened by them until a satisfactory solution to the aspirations of dependent territories is found.⁶⁸ From this point of view, a full-dress discussion of the problem in the NATO Council might eventually serve to moderate the policies of some member governments and demonstrate that NATO

⁶⁶ Note marginale :/Marginal note:

NATO is no stronger than its component parts. Is it the role of other NATO partners to look on as spectators over the liquidation of French influence or should they help her retain it? This is a crucial problem which we should consider now. [Jules Léger]

⁶⁷ Note marginale :/Marginal note:

This, I think, should be out of the question. [Jules Léger]

⁶⁸ Note marginale :/Marginal note:

Some solutions may also weaken NATO. [Jules Léger]

is not a "protector of colonialism" but a bulwark behind which orderly progress toward self-government can be achieved.

8. However, this is not the time for such a discussion. Any evidence of weakness or dissension in NATO would be prejudicial to negotiations on international problems generally and the four-power and disarmament talks in particular. Consequently, although we can not but look askance at this subtraction from NATO's strength in Europe, any objection to it might have widespread and unfortunate repercussions.⁶⁹ I agree therefore with DL (1)'s conclusion that the Council should confine itself to withholding any approval of the French action, emphasizing the importance of consultation and the necessity of respecting this principle. In the circumstances perhaps, the less said the better but if our Representative speaks during the discussion I think his remarks should be tempered by a realization of the difficult position in which the French find themselves.⁷⁰

R.A.D. FORD

195.

DEA/50030-AB-4-40

*Note du sous-secrétaire d'État aux Affaires extérieures
pour le secrétaire d'État aux Affaires extérieures*

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

SECRET

Ottawa, September 19, 1955

ALTERATIONS IN ESTABLISHED NATIONAL FORCES CONTRIBUTIONS TO NATO

Towards the end of this month the NATO Council will consider a draft resolution on this important subject. The draft has been prepared by the NATO Secretariat, in informal consultation with delegations, on the basis of a U.S. delegation draft which was in turn based in part on a paper prepared by the Military Representatives Committee and approved by the Standing Group. Mr. Wilgress' telegram No. 1053 of September 2† (copy attached) contains the current working text.

2. As you know, the efforts to clarify the obligations assumed by NATO countries when they assign or earmark for assignment to NATO certain military forces had their origin in the fear that, if member states were not specifically precluded from deploying forces they had assigned to SACEUR in Europe, except with the express permission of the NATO military authorities, a rearmed Germany might use her forces along the eastern frontier in a way prejudicial to peace. The search for an effective solution to the problem was given added impetus by the increasing tendency during the past year on the part of certain member countries, notably France, to make changes in their force contributions to NATO, both current and future, by unilateral decision and action and to present NATO with the accomplished fact. Basically the issue is whether the principle of collective action and responsibility in defence matters, implicitly accepted by the creation of an integrated force under SACEUR and by the common financing of the infrastructure facilities required by the integrated force, is to be respected.

⁶⁹ Note marginale :/Marginal note:
I agree. [Jules Léger]

⁷⁰ Note marginale :/Marginal note:
I agree. J[ules] L[éger]

3. The draft resolution which is to be considered calls upon member governments to inform the Council and the appropriate NATO military authorities of important changes which they may feel compelled to make in their "current or prospective force contributions to NATO or in (their) defence programmes relating to NATO force goals", if possible in time for the Council's views to be fully considered by the government concerned before the execution of decisions on the matters in question. It also calls upon member governments to inform the NATO military authorities at once, and the Council at the first possible opportunity, if they should feel compelled to withdraw units from the area of NATO command to which the units are assigned or earmarked in order to meet an emergency elsewhere. (The French did in fact do this in the case of their recent withdrawals.)

4. The draft resolution is supplementary therefore, to the Council's resolution of last October on SACEUR's revised terms of reference, which reads in part as follows:

"The North Atlantic Council agrees, in the interest of most effective collective defence, that ... forces under the Supreme Allied Commander Europe and within the area of Allied Command Europe shall not be redeployed or used operationally within that area without the consent of the Supreme Allied Commander Europe, subject to political guidance furnished by the North Atlantic Council, when appropriate, through normal channels."

It stems directly from the resolution of last December on the 195[4] Annual Review and Related Problems, by which, among other things, the Council agreed

"to study the conditions under which multilateral consideration can be given, throughout the year, to important changes in national contributions to NATO defence."

5. You may recall that last April I sent you a memorandum (attached for ease of reference) commenting in some detail on the Military Representatives Committee's paper. You then agreed to our informing National Defence that the principle of consultation with the Council on alterations in national force contributions to NATO was acceptable, and that the proposed procedure was satisfactory with one change designed to ensure that it would apply only to changes in firm force goals and not to changes in provisional or planning goals. You also agreed that it should be the responsibility of National Defence to submit this matter to Cabinet if it was considered necessary to do so.

6. Our suggested qualification was incorporated in the paper submitted by the NATO military authorities, but it received no support from other delegations to the Council. The United States, United Kingdom, French, Belgian and Netherlands representatives specifically opposed it on the ground that provisional and planning goals were taking added importance and that to restrict the resolution to current force contributions would reduce its usefulness. Accordingly, with the concurrence of National Defence, we informed Mr. Wilgress that if all other member states were willing to report changes in provisional and planning goals, as well as in current force contributions, we were prepared to do the same.

7. We also suggested to Mr. Wilgress that the resolution should make it clear that the Council and the NATO military authorities would be informed of contemplated important changes in force contributions and contemplated withdrawals of units *before* they were made and even before the government concerned had made a final decision on the matter. This was not acceptable to the French (with whom the British and Norwegians agreed) on the ground that it was difficult to say when a government's decision was "final". The formula inserted in the draft resolution to meet the majority view appears, however, to meet also the main point of our suggestion.

8. Some concern was expressed by the United States delegation that the words "defence programmes relating to NATO force goals" in paragraph 7 of the draft resolution might be

taken to include reference to MDAP, which was unacceptable to the United States. The Chairman, however, held that this referred only to force contributions and thus would not apply to MDAP (or, presumably, to Canadian Mutual Aid). I think we should make it clear for the record that this is also our interpretation.

9. Subject to the understanding indicated in the preceding paragraph, I think that the draft resolution in its present form is acceptable. General Foulkes' office has informed us that there are "no military comments" on it. In the light of this comment from National Defence, if you agree that the draft resolution is now in acceptable form, you might wish to approve the attached draft telegram to Mr. Wilgress.⁷¹

J. L[ÉGER]

6^e PARTIE/PART 6

CONSULTATION POLITIQUE : SÉCURITÉ EUROPÉENNE
POLITICAL CONSULTATION: EUROPEAN SECURITY

SECTION A

RÉUNION MINISTÉRIELLE DU CONSEIL DE L'ATLANTIQUE NORD, PARIS,
16 JUILLET 1955
MINISTERIAL MEETING OF THE NORTH ATLANTIC COUNCIL, PARIS,
JULY 16, 1955

196.

DEA/50346-40

*Note du sous-secrétaire d'État aux Affaires extérieures
pour le secrétaire d'État aux Affaires extérieures*

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

SECRET

[Ottawa], June 28, 1955

FOUR POWER TALKS AND EUROPEAN SECURITY

In preparation for the Ministerial meetings of the NATO Council on July 16, we have reviewed the information available to us on the probable course of the "Summit" talks which are to commence in Geneva on July 18 and have attempted to formulate, for your consideration, what might be the Canadian attitude towards the talks and towards some of the principal proposals likely to be discussed.

2. In the process of trying to clear our own minds we have found that the different Divisions concerned (and we have not yet sought the views of other Departments) hold divergent points of view. We can therefore sympathize with the difficulties of the Western participants which may account for the paucity of information we have been able to extract from them on the substantive questions of Germany and European security.

⁷¹ Note marginale :/Marginal note:

OK L.B. P[earson]

Le Conseil de l'Atlantique Nord a adopté la résolution à sa réunion du 5 octobre 1955.

The North Atlantic Council adopted the resolution at its meeting on October 5, 1955.

3. The Western powers, including Canada, are it seems to me, in a dilemma. We wish to seize the opportunity, which our policies have largely created, to negotiate with the USSR to relax tensions and to reduce the threat of a nuclear war. This is stating the objectives of the negotiation in the Soviet cliché but there is some evidence that the Russians at last mean business. If they do not, there is no problem, apart from making this apparent to public opinion. But if they do they will ask a price for any concessions they may offer. Our dilemma is: are the Western Powers prepared to pay their price if they are prepared to pay ours?⁷² Can we afford to pay? If not, can we afford to turn down their offer without making some counter proposal?

4. Since the end of April, the United Kingdom, United States, French and German Governments have been seeking the answers to these questions. The only official study we have seen is the report (copy attached) of the tripartite working group of officials which met in London before the last Ministerial meeting of the NATO Council last month.⁷³ Although the first third of that report deals with the form and timing of the Western invitation to the USSR, the remainder is still of interest. It analyzes in turn the various possible Soviet moves in Europe and outlines the attitude the Western Powers might adopt to each, including the broad lines of some possible Western initiatives and counter proposals, though these are not elaborated.

5. Although the London working group was not reconvened, tripartite preparations have continued, chiefly in Washington, where an informal working group was formed earlier this month. The official working group will reconvene in Paris on July 8 to review the findings of the Washington group and of tripartite groups of experts now meeting to examine particular aspects of the problem in the following places:

Bonn	- the Eden Plan
Paris	- European Security
New York	- Disarmament

We have as yet very little information about the work of the first two.

6. Since you left Ottawa, we have, however, received full reports† (attached) from Mr. Johnson and Mr. Heeney on the meetings of the three Foreign Ministers in New York on June 15-16. In the past few days, we have also had valuable reports† (attached) from our Missions in London, Bonn, and Paris on current thinking in their capitals, although you may have had more recent information from the Foreign Ministers themselves in San Francisco.

7. Added together, these reports begin to paint a coherent picture. The Western Powers foresee a long series of high level negotiations. After four to six days at Geneva in July to launch the talks "at the summit", to present general views on the causes of international tension and to explore tentatively any proposals advanced, the four Foreign Ministers will resume negotiations in September or October, after Chancellor Adenauer's visit to Moscow; depending on progress made this year, there might be another high level meeting some time next year.

8. The Russians, on the other hand, appear to be in more of a hurry, as their handling of the Austrian Treaty, the Belgrade visit and their invitation to Adenauer show. Yet they have made it quite plain publicly and privately that they are no more ready than are the

⁷² Note marginale :/Marginal note:
What is ours? [L.B. Pearson]

⁷³ Voir/See France, Ministère des Affaires étrangères, *Documents Diplomatiques Français 1955, Annexes Tome 1*, Paris: Imprimeur Nationale, 1987, pp. 113-124.

Western Powers to give something for nothing or to discuss the liquidation of their position in Eastern Europe.

9. At Yalta and Potsdam, the Powers were under compulsion to agree. They did what they thought it was necessary to do to maintain the unity to win the war. There is no such urgency today. On the other hand, the Russians, for their own reasons, seem in a mood to negotiate. With the Paris Agreements ratified,⁷⁴ the West is not only morally bound to make the attempt but for a variety of compelling reasons — political, military and economic — a serious effort should be made this year to make the shift from cold war to cold peace. Looking ahead, it seems to me unlikely that the West will be in a relatively better position to negotiate with the Russians in the foreseeable future. Therefore the Western Powers must do more than go through the motions. We must recognize and accept the opportunities and the risks which real negotiations entail.

10. It is becoming apparent that this attitude is shared more fully in London and Paris than in Bonn or Washington. No doubt we can all subscribe to the terms of the joint declaration, released after Chancellor Adenauer's visit to the President, that neither neutrality nor neutralization is a possible solution for Germany.⁷⁵ At San Francisco, Mr. Pinay added his "Amen". A neutral Germany free to rearm without controls or limitations could become a menace, while neutralization by outside powers is a solution no self-respecting German could stomach.

11. Moreover, although this point is not made from the roof-tops, a neutral or neutralized Germany would mean a Germany out of NATO which might in turn mean North American troops out of Europe. Although this would not necessarily follow, it would radically alter the political character and military dispositions of NATO.

12. On the cardinal points there is agreement among the three powers that: Western security arrangements must be preserved; the Paris Agreements are not negotiable; Germany cannot be neutralized; a balance between Soviet and Western strength in Europe must be preserved; the legitimate interests of all NATO and WEU countries must be respected.

13. It is, however, recognized in the capitals of Western Europe that, precisely, because the Paris Agreements are not negotiable, the German question is probably insoluble except in the context of some European or still wider security system. For years this has been the refrain of both Chancellor Adenauer and the Socialist opposition in Germany. The French have always linked the problem of Germany with disarmament; and in the Malik Plan presented to the Disarmament Sub-Committee in London early last month the USSR also linked the solution of the two questions so directly affecting their security.⁷⁶ In his private conversations in Paris and San Francisco, Mr. Molotov showed more interest in a European Security System and disarmament than in German reunification. As Lord Hood said in briefing old Commonwealth representatives in New York, the Russians cannot conceive of German reunification except in a setting of European security, and the West cannot conceive of European security without German reunification.

14. The Eden Plan with technical embellishments, will probably be the Western starting point at Geneva.⁷⁷ (A summary† is attached for easy reference). It makes no provision for a

⁷⁴ Voir volume 20, le chapitre 3, 4^e partie./See Volume 20, Chapter 3, Section 4.

⁷⁵ Voir/See United States, Department of State, *Bulletin*, Volume XXXII, No. 835, June 27, 1955, pp. 1033-1034.

⁷⁶ Voir/See Document 52.

⁷⁷ Voir/See *Documents on International Affairs, 1954*, London: Oxford University Press — Royal Institute of International Affairs, 1957, pp. 72-75.

security system into which a united Germany could fit. This gap in the Western position led to criticisms at the time of the Berlin Conference and it is legitimate to expect the Western Powers to do something to fill it at Geneva. The difficulty is to agree on what could be done.

15. Of the possibilities discussed very tentatively by Lord Hood and by the tripartite working group, we are interested in the following elements:

(a) a *Five Power Mutual Assistance Treaty* in which the four powers and Germany would renounce the use of force for settling territorial claims, etc. and would pledge each other assistance in case of an attack by another signatory;

(b) a *European Security Treaty* which

(i) would provide for consultations in the event of an attack on any of the parties in Europe;

(ii) would limit and control all conventional armaments and armed forces in Europe, including non-European forces in Europe (Soviet, U.S., British and Canadian) but which would not include forces or arms in the USSR or in the United Kingdom or North America; and

(iii) would establish certain demilitarized zones (the Eastern Zone of Germany has been suggested by Mr. Van Zeeland).

16. A five power pact, as outlined in (a) above, could be invoked in the case of a German attack on the USSR, or vice versa, but only the consultative procedure of the general European Security Treaty would operate if Russia or Germany attacked Poland. Both pacts assume that frontiers are recognized, which they are not; and both might extend the commitments of the Western Powers in Europe and might prejudice NATO arrangements.⁷⁸

17. At the same time, if the USSR is looking for some legitimate reassurance (in addition to the unilateral guarantees of the Paris Agreements) that German rearmament will not get out of control and will not be used for revanchist adventures eastwards, some such combination of a regional Locarno—cum—disarmament might be attainable without either breaking up NATO or leaving the West in a relatively weaker position militarily on the Continent.

18. For some time the Germans have contemplated a European Security System as the road to reunification. Chancellor Adenauer has spoken publicly of W.E.U. as the vehicle for this system — a W.E.U. extended to include the satellites (and perhaps the USSR), or in treaty relations with the Warsaw Pact countries. The tripartite working group came down against any NATO—EETO pact as perpetuating the division of Europe and confirming the Soviet grip on the Satellites.⁷⁹ Such objections are however on a different scale if it should ever prove possible to get a European disarmament scheme into effective operation.

19. The Western prerequisite to a European Security System should clearly be the reunification of Germany. The question of German neutrality we have already discussed in an earlier paper (of June 7)†, concluding that neutrality was an unacceptable solution and that a well thought out European security system offered a safer approach to the problem of German reunification.

20. On the Soviet side, a withdrawal of the bulk of foreign forces from Germany is at present a prerequisite for all-German elections. Indeed it is hard to see how the USSR

⁷⁸ Note marginale :/Marginal note:
How[?] [L.B. Pearson]

⁷⁹ Note marginale :/Marginal note:
? [L.B. Pearson]

could agree to any European Security System without at least a partial withdrawal of United States forces from Germany. There might however be room for manoeuvre here based on a slow and partial withdrawal over a period of time.

21. Another factor in our negotiating position is that, through the Eden Plan, the Western Powers have already offered a reunited Germany the opportunity to "opt out" of NATO. From the tripartite consultations it seems reasonably certain that the Western Powers will stand by their offer and run the risk (which is a real one) that the Socialists might win all-German elections and leave NATO or substantially reduce their military undertakings under the Paris Agreements. Because the risk is real, the Eden Plan must have some attractions for the Russians, even at the cost of the liquidation of communism as an effective force in East Germany. (By the same token, one of the first conclusions we reach in our own thinking is that NATO must be made as attractive a club as possible for the new German member. The directors of the Club must not hesitate to do all that they reasonably can to promote the chief interest of the Germans, the unification of their country. It must be made apparent to the Germans that the Atlantic Club is not just a militaristic substitute for the "European idea").

22. Although any Soviet demand for a reunified Germany to withdraw automatically from NATO will be rejected by the Western Powers without embarrassment, it might not be so easy to handle a Soviet offer to accept the Eden Plan provided most foreign forces were withdrawn before the elections (so the elections would not be influenced by their presence) and both East and West German Governments were to withdraw before the elections from EETO and NATO, reserving the right of an all-German Government to choose its alliances subsequently. We would expect such an offer to be rejected by the West; but it would be bound to have a strong appeal in Germany.

23. We are now working on a list of Canadian criteria which could be used in approaching the complex problems which will arise at Geneva and hope to have it ready for discussion at the meeting next Friday.⁸⁰

J. L[ÉGER]

197.

DEA/50346-40

*Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis*

*Secretary of State for External Affairs
to Ambassador in United States*

TELEGRAM EX-1210

Ottawa, July 7, 1955

SECRET. IMMEDIATE.

Repeat Paris No. 403 (Important); London No. 1110 (Immediate); Canac, No. 758 (Immediate); Bonn No. 156 (Important).

FOUR POWER TALKS AND EUROPEAN SECURITY

Having been through some of the same hoops in reconciling the views of the Divisions concerned within the Department, we appreciate the difficulties the Foreign Offices chiefly

⁸⁰ Aucun compte rendu de cette réunion n'a été trouvé.

No record of this meeting was located.

concerned are having in wrestling with the substance of this problem in a serious and realistic way while at the same time maintaining security so as not to tip their hand before Geneva.

2. In our immediately following message we are sending you, for your information and comments, the text of a Departmental memorandum on Canadian criteria which the Minister has now approved in principle. He is thinking of adapting it to serve as the basis for his statement at the NATO Council meeting of Ministers on July 16.

3. We should be grateful for your early comments on this paper and on a longer covering memorandum which will be sent to you by bag.⁸¹

4. (*For Canac only*) In any discussions the Council may have next week with members of the tripartite working group, you may base your comments on the criteria paper, bearing in mind the Minister's intention of using it as a basis for his statement at the Ministerial meeting and that his remarks on substance should not be too fully anticipated.

198.

DEA/50346-40

*Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis*

*Secretary of State for External Affairs
to Ambassador in United States*

TELEGRAM EX-1211

Ottawa, July 7, 1955

SECRET. IMMEDIATE.

Reference: Our immediately preceding message.

Repeat London No. 1111 (Immediate); Paris No. 404 (Important); Canac No. 759 (Immediate); Bonn No. 157 (Important).

FOUR POWER TALKS AND EUROPEAN SECURITY: CANADIAN CRITERIA

Following is departmental paper on Canadian Criteria. Text begins:

"In the forthcoming conference with the Soviet Union the four powers will discuss, among other subjects, the question of Germany and the associated problem of European Security which will affect the interests of a number of other countries not directly represented at the conference.

2. From the Western point of view the main aim is to reduce and eventually eliminate the danger of war without sacrificing our essential interests or principles; while at the same time strengthening and, if possible, extending the area of the free world by peaceful means. With the advent of thermo-nuclear weapons, everything possible should be done to prevent a war occurring by accident. This requires the lowering of tempers in both blocs and the elimination of the chief points of friction. It is axiomatic that we should not weaken our military or political strength and unity, relative to the Soviet side since experience has shown that this is a prerequisite for peaceful relations with the U.S.S.R. Nor should we accept a merely temporary easing of tension at the expense of creating a future danger greater than that now existing.

⁸¹ Voir/See Document 196.

3. If we recognize that no lasting reduction of tension is possible so long as a large part of Europe is denied a genuinely free choice of government, then we must also recognize that the only way to achieve this is by trying to loosen or remove Russian control from as much of Europe as we can. A real reduction of tension in Europe, however, will be possible only when the German problem is solved as a result of a real shift in Soviet policy; and only by the less static situation which that would create is there much possibility of recovering any ground in Eastern Europe.

4. Since our position is now relatively strong and since the Russians now appear at long last to recognize the need to take steps to reduce the risk of nuclear war, any opportunity for a real reduction of international tension should be explored and Soviet intentions tested, keeping in mind the following criteria in judging the extent to which the proposals which might be brought forward will truly serve our main aim.

(a) We should maintain an effective regional system of collective security in the absence of an effective universal system.

This means that NATO should not be altered in character or weakened as long as we are unable to establish an effective system of universal collective security under the United Nations. NATO is not negotiable; the level, deployment or armament of NATO (including German) forces could be negotiated with the Soviet bloc if agreement could be reached on adequate safeguards and reciprocal concessions.

(b) We should maintain our deterrent capability until an effective international armament control system becomes feasible.

The greatest deterrent to aggression in Europe is the knowledge that it would bring about total war in which the aggressor could not hope to escape nuclear devastation. We can afford to dispense with this deterrent only when we have reached a point in our relations with the Soviet Union at which an international control system can be established which will reduce to an acceptable minimum the danger of aggressive use of arms. The establishment of a European security system would affect the deterrent capability adversely if it included provision for the withdrawal of United States bases from Europe.

(c) We should maintain the solidarity of North America and Western Europe, which is essential to our regional system of collective security.

One of the major aims of Soviet policy has for some time been to remove United States forces and bases from Europe. Yet the presence of United States forces and bases in Europe is a cornerstone of the NATO edifice and hence of Canada's security. If they were withdrawn or seriously reduced, it would not only weaken NATO militarily, politically and economically; it would also upset the existing political balance in Europe with serious consequences in relation to the growing importance and influence of Germany.

(d) We should seek the closest possible political, economic and military association of Germany with the West.

Our present policy, in accordance with the London and Paris agreements, is to achieve this by means of NATO and WEU, which are interdependent for this purpose. In particular, the closest co-operation between France and Germany is essential for the security of the West, and for this purpose the continued presence of United Kingdom forces on the continent has proved to be a prerequisite. German policy will, of course, become increasingly independent, especially after the establishment of direct diplomatic relations with the U.S.S.R., but every effort must be made to keep Germany fully within the Western alliance. With or without reunification, the entry of Germany on the world stage will radically alter the situation in a few years' time.

(e) We should be prepared to give the U.S.S.R. reasonable assurances that our security arrangements are defensive.

In order to reduce international tension and facilitate a settlement of the German problem, the Western powers might be prepared to consider a five-power mutual guarantee against aggression by any of the signatories, together perhaps with an all-European armament control system along the lines of WEU. However, any system of European security which was a replacement for and not a supplement to NATO would be gravely prejudicial to our interests.

(f) We should stand by the proposal to reunify Germany on the basis of free and effectively supervised elections with subsequent freedom of decision by an all-German government on international engagements.

It is important to ensure that this objective is not pursued in such a way as to detract from our primary aim with regard to Germany of the closest possible association with the West. Germany's membership in NATO, being a free German engagement, is not negotiable by the Western powers. While we must therefore exclude any idea of neutralizing Germany, it might be wise to seek agreement with the Soviet Union *in advance* providing for a continued balance of advantage as between the two sides, whether Germany remains in NATO or leaves it, on some such basis as the following:

(i) If an all-German government *opts to remain in NATO*, Germany's Eastern frontier would presumably be guaranteed under Article 5 of the North Atlantic Treaty, but in order to provide the U.S.S.R. with appropriate assurances regarding her security (in addition to those foreseen under criteria (a) and (e) above), a belt of territory along Germany's Eastern frontier might be demilitarized.

(ii) If an all-German government *opts out of NATO*, some form of effective collective control over German rearmament should be established and the gradual withdrawal of NATO forces from Germany should be balanced by the withdrawal of Soviet forces not only from East Germany but at least in part from the countries of Eastern Europe as well; such a control obviously could only be achieved in the wider framework of a European security system.

199.

DEA/50102-K-40

*Le représentant permanent auprès du Conseil de l'Atlantique Nord
au secrétaire d'État aux Affaires extérieures*

*Permanent Representative to North Atlantic Council
to Secretary of State for External Affairs*

TELEGRAM 908

Paris, July 17, 1955

SECRET. IMPORTANT.

Repeat London No. 128; Washington No. 59; Bonn No. 46.

NATO MINISTERIAL MEETING, JULY 16TH

The Foreign Ministers met at ten o'clock this morning (July 16th). It was decided at the outset that the summary records would be graded COSMIC Top Secret and that one copy only will be made available to the delegations. The verbatim report will be kept at the Secretariat for consultation by delegations if necessary.

2. Mr. Dulles opened the discussion by recalling that two months ago, at the last ministerial meeting, he had announced the issuance of an invitation to the USSR for a meeting at the head of governments level. Since then, many developments have taken place of a favourable character. In the first place, the invitation was accepted by the Russians and, following this acceptance, intensive consultations were carried out by the three Western powers and also with Germany, and talks have also been held with Mr. Molotov regarding the preparation of the conference. He said that many public statements had been made by the heads of governments which, in a sense, constituted the beginning of the conference itself. At Vienna, preliminary conversations were held with Molotov and views were exchanged regarding the character of the meeting. There had also been the meeting in New York on the way to San Francisco between the Foreign Ministers of the three Western powers and Adenauer. At San Francisco there had been an opportunity to hold private talks with Molotov, sometimes on a tripartite basis and sometimes on a bilateral basis. All these talks amounted to what the Secretary of State described as the "pleadings of the case" and some clarification was achieved as to the issues that will be discussed at Geneva. It therefore could be said that the Western powers go to Geneva well prepared.

3. Mr. Dulles said that it was important in the beginning of his remarks to emphasize the nature of the Geneva conference as envisaged by the inviting powers. He said that two stages are contemplated. The first one, of course, is the meeting of the heads of governments which will be devoted to formulating the various issues involved. As time will be brief, however, it will not be possible to reach decisions on these issues and the most that could be accomplished was to reach agreement on the methods and procedure that would be subsequently followed. The second stage is really the more important because it will set the lines along which further studies will be made in the United Nations or elsewhere. The Secretary of State said that the real importance of the Geneva conference was that it may see the development of a new spirit which would be characterized by the predominance of confidence over fear and suspicion as has been the case in the past. He said that the few statements that had been made so far by the heads of states indicated that the Geneva spirit would be different at least at the first stage. His earnest hope was that the new spirit will also extend to the second stage of the conference.

4. Mr. Dulles said that the main topics which are expected to be touched upon in Geneva and which both sides seem to be anxious to discuss are:

Reunification of Germany. There was a genuine desire to put an end to the present situation which endangers the peace.

European security problems which the Secretary defined as follows: in what framework will the reunification of Germany take place? He said that on our side we cannot realistically expect the USSR to abandon Eastern Germany if such a move meant any advancement of the "forward strategy" of NATO. Therefore, some formula should be devised which would not increase the insecurity felt by the USSR. The Secretary said that, although we feel confident of the purely defensive character of our alliance, we must realize that other countries may not have the same confidence in our motives. He said that, from a purely technical point of view, Germany could opt to leave NATO but in fact the Russians realize that Western Germany will continue its alignment with the West. Our plans must be based on that assumption.

The Secretary then referred to the question of global disarmament. He said that the USSR, on May 10th, made some proposals which represent certain advances over their past position. Some doubts existed, however, regarding the sincerity of the Soviets when these proposals were made dependent on certain political settlements which enabled them

to postpone the issues indefinitely. United States thinking had been that there could be no agreement on level of armaments until effective inspection and control had been worked out. No country could be expected to make its security dependent on a slightly more amenable mood on the part of a government. The Secretary asked the question — how long will the present détente mood of the Russians last? In the end, a successful control system of armament must be based on procedure that makes sure that control is carried out by both sides. This was particularly true with regard to the control of atomic weapons. Recent developments had shown the impossibility of even complete inspection detecting atomic stockpiles. Furthermore, it was doubtful whether the USA itself would now be able to accept all the procedures for complete inspection that would be required. This aspect of the question should therefore be re-examined. There was no denying also that any form of international control of armaments involves many difficult questions, such as the movement of aliens within national boundaries. Whatever proposal we put forward must be balanced by what we, ourselves, are willing to grant.

5. The Secretary then mentioned other topics which might be raised by the Western side and which the Russians might not be prepared to discuss. He mentioned first the question of the satellites, to say that no peace in Europe can be secure until these countries can resume their place as free nations and until the USSR frontier ceased to be projected far into Europe. He also mentioned the problem of international Communism. He said that any system which allows a country to inspire and finance subversive activities reduces the likelihood of establishing friendly relations between East and West. He also alluded to the problem of the Iron Curtain. Although communications had slightly improved between East and West lately, still there was no free interchange of knowledge between the two camps. If the Russian peoples were misled about the motives of the other part of the world, this surely was conducive to misunderstanding and increased the danger of war. The question of war prisoners and the violation of armistice undertakings by the USSR was another possible topic of discussion. Mr. Dulles thought, however, that this question could be dealt with informally, perhaps in the “buffet room”.

6. From the Soviet side, Mr. Dulles thought that certain other topics might be raised. Mr. Molotov, at San Francisco, had mentioned to him that he would like to discuss the question of war propaganda against the USSR in the United States. Obviously this was a pure propaganda theme and if, indeed, it was raised, it would suggest doubts as to whether the Russians were making a serious approach to the conference. With regard to the Far East, Mr. Dulles said that he did not think that Far Eastern problems should appropriately be dealt with at Geneva. These problems should be discussed on an ad hoc basis and this is being done in a reasonably satisfactory way. The Russians might propose a six-power conference on Far Eastern problems, but Mr. Dulles indicated that he would not accept such a proposal. With regard to the question of trade between East and West, he said that these problems could adequately be discussed through existing machinery, including the United Nations. It may be possible for countries which are not members of the United Nations to participate in the work of certain United Nations specialized agencies in this respect. Mr. Dulles did not consider, however, that the question of strategic control was a trade problem but, rather, involved security considerations which should be linked with disarmament. Finally, Mr. Dulles mentioned that the USSR might propose that a declaration of principles in Communist terms be agreed upon in Geneva. This was a well-known technique but the West could not agree to any declaration which would have a purely Soviet trade mark upon it.

7. Mr. Dulles ended up his remarks by emphasizing that no new solutions will be proposed by the Western powers but that efforts will be concentrated in indicating the lines of

study that the heads of states want to be followed by the Foreign Ministers in their subsequent discussions. No new formula had been agreed upon by the three powers and no commitments will be made at the summit meeting. This should reinforce the flexibility of approach in the second stage of the discussions.

8. Mr. Dulles was followed by the French Foreign Minister. Mr. Pinay emphasized at the outset of his remarks the desire of the French Government to keep its NATO allies informed of the discussions in accordance with the spirit and the letter of the North Atlantic Alliance. He then characterized the Geneva conference as a conference which did not aim at reaching firm decisions on the various issues that will be discussed; it will, rather, set the basis on which the work of the Foreign Ministers could be carried on at a later stage. He said that the Russian position regarding Germany is well known; it seeks the reunification of Germany at the price of neutrality. The French position, on the other hand, was described by Mr. Pinay as follows: "L'Allemagne doit être réunie dans la sécurité de tous et la sienne propre." Security for all meant the maintenance of our present defence system. The security of Germany meant that Germany could choose freely her international associations. France is also concerned with the security of the Eastern European states but not to the extent that this would mean the dismantlement of Western security arrangements.

9. Mr. Macmillan restricted his remarks to the practical problems of continued political consultation between NATO allies. He said that, as a result of the Geneva conference, there should be a Foreign Ministers' meeting some time in the fall. The question was — how should the three Western powers act on behalf of their allies in planning the subsequent steps? He said that alternative methods could be worked out. One would be for all fifteen Foreign Ministers to sit at the table, but this procedure would probably prove to be impractical. Not only would it be impossible to get on to details, but the Soviets might also ask that their allies be brought in to the conference table. He hoped, therefore, that the three big powers would be allowed to speak for and act as the trustees of the other NATO countries in close consultation with them.

10. He then elaborated on the methods of consultation that he thought could be followed, both before and during the Foreign Ministers' meeting. Before the Ministerial meeting the big three could keep NATO fully informed of the plans they intend to table at the meeting. This would be done through the Permanent Council and possibly a Ministerial meeting of the Council could be held before the Foreign Ministers' meeting. During the conference (and Mr. Macmillan made it clear that he was seeking the considered views of his colleagues on this point) various methods of consultation could be envisaged. For instance, each government could send an observer to the Foreign Ministers' meeting or, alternatively, the machinery of the Permanent Council could be used.

11. During the course of my intervention I made some remarks about Mr. Macmillan's proposals and particularly the 'mandate concept' as applied to NATO political consultation.

12. The Italian Minister's intervention may be summarized briefly. With regard to collective security and disarmament, he said that these two questions were intimately linked. No real security scheme could be worked out without disarmament and, therefore, a system of effective control. The same principles which inspire the control of armaments within WEU could, perhaps, be applied to the broader European context and create a favourable climate for a détente. It should be made clear, however, that the return of Russian troops within the USSR would not be sufficient in itself to warrant the withdrawal of United States and United Kingdom forces from the Continent. On the question of Germany, Mr. Martino said

only that the Italian Government earnestly hopes that Germany will be reunified on the basis of free elections.

13. Mr. Martino made some remarks regarding the admission of new members to the United Nations. The question of universality was rejected by his government and each application should be treated on its own merits. His government hopes that an end would be put to the unjust discrimination exercised against Italy in this respect. He hoped that the Western powers would keep in mind the views of his government on this question, as well as on the question of the return of Italian prisoners of war still held in the USSR.

14. Mr. Martino expressed some doubts about the views stated by Mr. Macmillan regarding the trustees' concept. His government would not be prepared to accept decisions, in the discussion of which it had not participated. He said also that his government could not be expected to agree that the disarmament negotiations, which were of such overriding importance, should be dealt with exclusively within the United Nations as long as Italy was not a member of the organization and, therefore, was deprived of the opportunity of making her views known.

15. The German Foreign Minister prefaced his intervention by remarks about the present psychological climate in Germany. Since May 9th, Germany has become a member of NATO and her new status has had a beneficial effect on public opinion. Germans now look forward to their new association with the community of the free Western nations as a means to enhance their security, to complete their economic reconstructions, and to implement their long-sought aim of reunification. In this connection, his government was greatly encouraged by the support his government was receiving from the west to achieve reunification.

16. As the Germans understood it, however, reunification must be achieved on the basis of free elections agreed upon multilaterally and not through bilateral negotiations between Germany and the USSR. His government will never agree to the recognition of two separate Germanys even on a provisional basis. Moreover, whatever new system of security is devised, it should not effect the present security arrangements of the West, i.e. NATO, nor should it afford any recognition of the present territorial arrangements. Referring to Malik's disarmament proposals, Mr. Von Brentano said that the German Government would not agree to any arrangement that would result in the withdrawal of United States forces from Germany. In conclusion, the German Foreign Minister stated that supplementary security guarantees will have to be worked out to allay the fears of the Russians, but that the Geneva conference could, at the most, deal with the broad issues involved, leaving details to be discussed at a later stage.

17. The intervention of the Norwegian Foreign Minister was devoted to labour the point (in connection with Mr. Macmillan's remarks) that we should make maximum use of the machinery already provided for by the Permanent Council for political consultation, both prior and during the October Foreign Ministers' conference.

18. Mr. Spaak, as usual, made a lucid and effective exposé of his views. He concurred in the remarks made by Mr. Lange and hailed NATO as a new 'diplomatic strategy' which had a tremendous significance for the West. He then reviewed the three main topics mentioned by Mr. Dulles, which will probably come up for discussion at Geneva.

19. With regard to the reunification of Germany, some firm principles should be observed. It should be made abundantly clear that the Western powers are determined to achieve the reunification of Germany, but not at any price. The price we are not disposed to pay is that Germany should be deprived of her opportunity to cast her destiny alongside that of the Western democracies.

20. On European security, Mr. Spaak remarked that our thinking has progressed considerably since Locarno. At that time it was fashionable to sign treaties whose value was limited because they did not provide any machinery to maintain the peace. NATO, on the other hand, is a treaty with 'teeth' in it and predicated on a firm military basis. The Russians, however, do not seem to realize the distinction between old-fashioned types of guarantees and the NATO Alliance. It was up to us to make them realize that we cannot accept any system of guarantee that would mean the abandonment of our essential NATO commitments. He thought that a form of security arrangements that could possibly allay the Russian fear might be some kind of a security pact between NATO and EETO. This would amount only to putting into writing the defensive aspect of the NATO Alliance.

21. Finally, with regard to global disarmament proposals, Mr. Spaak said that the West has to be careful not to leave the initiative to the Russians in making what appeared to be plausible peaceful proposals and that at Geneva it should be made clear to the Russians that political settlements should follow logically agreement on a disarmament scheme, and not the other way around.

22. Finally, Mr. Spaak said that he saw a contradiction in the views expressed by Mr. Dulles about the principle of non-intervention in internal affairs (in connection with international Communism) and the Secretary of State's desire to raise the question of the satellites. He warned also against adopting too rigid an attitude against agreeing to a declaration of broad principles which the Russians might propose.

23. Mr. Zorlu, the Vice-Prime Minister of Turkey, and Mr. Beyen and Dr. Cunha also made brief interventions but did not add any new elements to the debate. We are reporting separately on the Minister's intervention.

200.

DEA/50102-K-40

*Le représentant permanent auprès du Conseil de l'Atlantique Nord
au secrétaire d'État aux Affaires extérieures*

*Permanent Representative to North Atlantic Council
to Secretary of State for External Affairs*

TELEGRAM 909

Paris, July 17, 1955

SECRET. IMPORTANT.

Reference: My immediately preceding telegram No. 908 of July 17, 1955.
Repeat London No. 129; Washington No. 60; Bonn No. 47.

NATO COUNCIL — MINISTERIAL MEETING

Following from the Minister, Begins: As you will see from my preceding telegram, the amount of information actually passed on to the Council by Messrs. Dulles, Macmillan and Pinay added nothing to what we had already received through the permanent representatives. I think that this probably to a large extent represents the Western situation on the eve of the talks; but I thought it perhaps worth while to point this out to the Big Three and to put straight the reasons why we thought there was a valid reason for calling the NATO Council. I thought it also necessary to correct the impression given by Macmillan that the Big Three had some kind of a mandate from the other twelve to speak at Geneva for the Council as a whole.

2. I expressed my appreciation for the consultation which had previously taken place through the permanent council and expressed the hope that some of the ideas presented by my colleagues at today's meetings might be of use subsequently at Geneva and later. Pointing out that all the information presented by the Big Three ministers had already been given to the Council, I asked the question why we were assembled in Paris, and underlined that the reason was certainly not to give a mandate to three of the members to act jointly on behalf of the rest. We would not like to establish a doctrine that any Committee of the Fifteen could act for NATO, particularly when it was clear that even the policies of the "Committee" had not been fully worked out. I reminded them that we all had our responsibilities to parliament, as the Italian Foreign Minister had mentioned, and there was a danger, if the Macmillan suggestion became doctrine, that it would play into the hands of the Russians. Furthermore, I did not think that the Big Three would really want the task of speaking for any but themselves.

3. I then went on to say that I thought the *raison d'être* of the meeting was to emphasize the interdependence of the NATO countries as regards the Geneva questions, and to give our support and approval to the views and the spirit in which the Big Three approached these problems. It was going to be a long drawn-out process of negotiation, and I heartily agreed with what Dulles had said about creating at the beginning the right atmosphere for attempting later to tackle the various questions with the Russians.

4. I suggested, however, that it may be that the Russians from the very beginning would present concrete and detailed proposals to take from us the initiative, and I was glad, therefore, to hear from Pinay that their attitude at Geneva would be one of carefulness *and* imagination.

5. If the Russians should present concrete proposals, I suggested that they should be judged in the light of certain criteria. The first was the necessity of maintaining an effective system of collective security. We should not negotiate NATO itself, though the level, use and deployment of NATO forces might be negotiable. Second, we should not accept any proposal which would effect our present deterrent strength, which could only be reduced as tensions eased, problems were solved and agreements made. Third, we should do nothing which would affect the close association of Germany with the west, provided that that was the Germans wanted, and I gathered from Brentano that that was the desire and determination of the German Government. Fourth, we should do nothing which would have a bad effect on the movement towards limitation of armaments, which must be one of our security aims. In this connection I gave full approval to Dulles' statement that we must re-examine some of our original assumptions regarding disarmament, assumptions which were no longer valid in the light of developments in nuclear weapons. While there could be no effective disarmament scheme of the kind we had been considering for years without a real inspection system, this now seemed to be practically impossible for nuclear weapons already stockpiled; many aspects of our inspection proposals would no longer be acceptable even by our side, as Dulles himself had made clear.

6. I then took up the statement of the Italian Foreign Minister concerning the exclusion of many countries from any role in disarmament talks, and said that we must look again at the machinery for disarmament which was obviously inadequate so long as some important countries are excluded from the United Nations. I thought that as a result of the talks in San Francisco there might be a greater likelihood of permitting the entry of some of these countries into the United Nations. If, however, the basis for disarmament talks should be modified as a result of the Geneva Conference, then I thought a good deal might be said for giving thought to the establishment of a specialized agency for disarmament on security which might be set up under the United Nations but which would be open to any coun-

try to join, as is now the case with most specialized agencies. I threw this out merely as an idea without going into any detail.

7. I think my intervention was well received though it clearly startled Macmillan and Dulles at the beginning. Macmillan saw me afterwards, however, and I think quite understands that it would be unfortunate from their point of view, as well as that of the other members of NATO, if the idea of a "mandate" were to become generally accepted. The complaint of Martino about exclusion from the disarmament negotiations was a clear opening to mention my idea concerning a United Nations specialized agency for disarmament. It may start a new trend of thought in a number of foreign offices, particularly of the smaller countries. Ends.

[L.B.] PEARSON

SECTION B

LA CONFÉRENCE À GENÈVE DES CHEFS DU GOUVERNEMENT,
18-23 JUILLET 1955
GENEVA CONFERENCE OF HEADS OF GOVERNMENT, JULY 18-23, 1955

201.

DEA/50346-40

*Note du sous-secrétaire d'État aux Affaires extérieures
pour le secrétaire d'État aux Affaires extérieures*

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

SECRET

[Ottawa], July 29, 1955

THE GENEVA CONFERENCE⁸²

I attach herewith two studies prepared in the Department on the subject of "German Reunification and European Security", and "Disarmament". It seemed best to treat these two questions separately since that appears to have been the decision of the Big Four at Geneva. These two papers attempt only to analyse the proposals made on these subjects.

2. We are working on a study of the wider implications of the Geneva Conference, but I would prefer to delay presenting it to you for your consideration until further assessments of the Conference, its impact on our relations with the U.S.S.R., and its probable effect on the NATO alliance, can be received and thoroughly studied. I hope this may be ready by the end of next week.

J. L[ÉGER]

⁸² Pour les documents publiés de la Conférence des chefs de gouvernement à Genève, et cités dans cette section, voir France, Ministère des Affaires étrangères, *Documents Diplomatiques Français 1955 Annexes Tome II*, Paris : Imprimeur Nationale, 1988.

For the published documents of the Geneva Conference of Heads of Government, cited in this section, see *Documents on International Affairs, 1955*, London: Oxford University Press—Royal Institute of International Affairs, 1958, pp. 1-49.

[PIÈCE JOINTE 1/ENCLOSURE 1]

*Note**Memorandum*

SECRET

[Ottawa], July 29, 1955

THE GENEVA CONFERENCE AND DISARMAMENT

As expected, disarmament was one of the main topics of discussion at Geneva. In their opening statements, two heads of government, Messrs. Faure and Bulganin, devoted a good deal of attention to this subject which was also dealt with the President Eisenhower, while Mr. Eden considered its European aspect. The agenda agreed to on the second day included disarmament as the third of four items, the first two being German reunification and European security and the fourth the improving of East-West relations. The summit discussions on the fourth day were thus devoted to disarmament and the final Directives issued by the heads of Government to their foreign ministers also dealt with the subject.

The Eisenhower Proposals

2. The most spectacular development was President Eisenhower's suggestions (1) that the United States and the U.S.S.R. should "give each other a complete blueprint of our military establishments, from beginning to end, from one end of our countries to the other"; and (2) that each country provide unlimited facilities for aerial photography of its territory by the other country — "We to provide you the facilities within our country, ample facilities for aerial reconnaissance, where you can make all the pictures you choose and take them to your country to study, you to provide exactly the same facilities for us and we to make these examinations".

3. There is nothing fundamentally new in these proposals. Provision for aerial surveys of national territories under certain conditions was made in the United Nations plan for the control of atomic energy which was vetoed by the U.S.S.R. in 1948. Similarly, the disclosure of full information on armed forces and armaments (both atomic and non-atomic) as a necessary preliminary to disarmament was the subject of proposals submitted by the United States in the Disarmament Commission in 1952 which were consistently rejected by the Soviet Union. There is no doubt that both features are implicitly included in the Western perennial proposal for unlimited inspection "anywhere at any time" which has proved the main stumbling block in East-West disarmament negotiations. The novelty of the President's proposals resided in the fact that they were presented in a dramatic fashion in a new psychological context brought about by recent technological developments.

4. In presenting his proposals, the President was elaborating on the suggestion contained in his opening statement that future discussion on the vital issue of inspection might be oriented towards the establishment of "an alarm system". This was in line with recent indications given by the Americans that total inspection, Western style, might not be a practicable proposition from the United States point of view at this juncture. The new approach is also prompted by the consideration that the most thorough system of inspection which might provide for adequate control of future atomic and non-atomic activities from the time of its establishment could not ensure the complete elimination of stockpiles of nuclear weapons. The President confirmed this development specifically in his July 21 speech when he said, "We have not as yet been able to discover any scientific or other inspection method which would make certain of the elimination of nuclear weapons. So far

as we are aware no other nation has made such a discovery. Our study of this problem is continuing."

5. One great advantage of the President's proposals is that they may provide new ground for further discussion by the United Nations of the most important aspect of the disarmament problem. There is no indication that the Russians may be able to accept this new approach. They refrained from making any direct comment during the conference on the President's suggestions which Bulganin described as "frank declarations" having "great significance for the examination of this point in the future". The offhand reaction of many observers is that the U.S.S.R. would have little to gain and a good deal to lose from the implementation of the proposals since, as Senator George put it, the United States "are living in a fish bowl from the military standpoint". Perhaps the greatest merit of the President's proposal was to offset to a large extent the propaganda advantage which the Russians had gained by the submission of their latest disarmament plan originally put forward in the Disarmament Sub-Committee last May and pushed again into the spotlight at San Francisco. If this was the main aim of the Stassen-Radford-Rockefeller team, which apparently rushed to Geneva to assist Mr. Eisenhower in this particular exercise, the President's gesture may be regarded as a master stroke.

6. Although President Eisenhower reiterated in his inaugural speech the suggestion which he originally put forward in 1953 that *part* of the savings resulting from the reduction of armaments should be earmarked for an international development fund, he did not elaborate on this in his disarmament speech. This idea was developed at some length by Mr. Faure both in his opening statement and during the disarmament discussions.

The Faure Plan

7. Mr. Faure proceeded on the premise that agreement on control and on sanction for violation of disarmament provisions can hardly take place within the framework of a convention dealing exclusively with the "traditional and negative aspects" of disarmament. It is necessary to consider the problem in its "positive" aspect and more specifically to connect the disarmament programme with the disposal of *all* the savings resulting from disarmament measures through the establishment of an international economic organization which would carry out a world-wide programme of assistance to under-developed countries. Disarmament control would thus become a global control of a financial and budgetary nature which would be easier "inasmuch as the budget is a single document". The essential point according to Mr. Faure is that there would be automatic sanction since a participant guilty of a violation "would be penalized by a sum equal to the amount of the dissimulation and the infraction".

8. The Faure plan bears, it seems, the characteristic mark of French idealism and while in some respects it develops a familiar idea, it will have to be examined very closely. On first examination it is debatable whether the basic assumption of the plan, i.e., that all money saved should be assigned to the international agency, will be generally acceptable. There would be no reduction, under the French scheme, in the burden carried by the people in the most prosperous countries. It is hard to visualize how the participating countries' budgets could be left as they are, should there be a substantial reduction of tension.

9. The question of earmarking savings resulting from disarmament for international development was discussed in recent years by the General Assembly. Canada, together with the majority of industrial countries, then indicated that it could be prepared to devote only "a portion" of the savings achieved through disarmament for development purposes. Unless industrial countries come around to the view that the totality of savings should be deposited in the international fund, the implementation of Mr. Faure's plan for mathemati-

cal control would need to take place in such a way as to ensure that the portions of savings not committed to the development fund are not ultimately diverted in one way or another to military purposes. Assuming universal acceptance of the plan to earmark all savings to the development fund, the French scheme would raise the problem of establishing a budgetary and financial control which would be effective. President Eisenhower's remark in his disarmament statement that "we have not as yet been able to discover any accounting or other inspection method of being certain of the true budgetary facts of total expenditures for armament" was obviously directed to Mr. Faure's proposal. Even assuming that effective financial control is possible, the French plan would still raise a number of problems from a security point of view. A country like the U.S.S.R. might be prepared to accept considerable burdens over a period of years to manufacture clandestinely hydrogen bombs towards world supremacy. It is clear that the French proposal could not be implemented unless satisfactory arrangements could be made as regards inspection and control.

10. As it stands one sure disadvantage of the French plan is that it will likely raise unnecessary expectations on the part of underdeveloped countries and will make it more difficult for the industrial countries to resist pressure to take decisions on a number of problems which they consider premature. Whatever its merits, the Faure plan has contributed substantially to offset the impression which might otherwise have been left in the first part of the conference that the Russians were attaching more importance to the problem of disarmament than the Western powers. While, as intimated above, the plan should not be summarily discarded it can hardly be regarded as a realistic proposal in terms of furthering the progress made in the Disarmament Sub-Committee.

Eden Plan for European Disarmament

11. In addition to new proposals by the United States and France on disarmament in general, the West formally introduced in Geneva the idea of regional disarmament as a first step towards general disarmament. This suggestion was made by the United Kingdom and may be regarded for all practical purposes as an extension of the Eden plan for a German settlement. Mr. Eden's proposals for European disarmament appear to be based on the assumption that the German problem can hardly be solved without some agreement on the limitation of armaments at the German, if not the Central European level. The Eden plan suggests an agreement on "the total of forces and armaments on each side in Germany and the countries neighbouring Germany". The implementation of this agreement would require "a system of reciprocal control to supervise the arrangements effectively."

12. The Prime Minister underlined that these suggestions were intended to make a practical experiment in the operative control of armaments in Europe "which might, as it were, extend outward from the centre to the periphery." He suggested that the operation might begin "on either side of the line which now divides East and West in Europe" and called for immediate agreement on joint inspection teams appointed by East-West military commanders. This suggestion seems in line with the Soviet proposal of May 10 for a Four-Power joint control of forces in the two Germanies.

13. The German Government apparently holds the view that the European problem can only be solved in the context of global disarmament and that in any event armaments control and inspection should not begin before the unification of Germany. Whatever the answer to the question whether disarmament can be separated in whole or in part from other outstanding issues, the United Kingdom suggestions for the regional limitation (if not reduction) of armaments and armed forces and also inspection should be regarded as a sensible move at this juncture in line with the policy of seeking all possible avenues of agreement.

Soviet Proposals

14. In contrast to the Western powers, the Soviet Union added little to its proposals of May 10 last submitted in the Disarmament Sub-Committee. Bulganin's opening statement may be regarded in the main as an amplification of the first part of these proposals concerning political questions with the emphasis being laid on European security. The Soviet Prime Minister thus reiterated his government's suggestions for the withdrawal of foreign troops, the settlement of Far Eastern issues and the normalization of trade relations. In this case the withdrawal of foreign troops was related not only to Germany but to "the territories of European States."

15. Most of the proposals on disarmament proper contained in the Soviet plan of May 10th were reiterated in Geneva either in Bulganin's opening statement or in the disarmament paper which he tabled on July 21. These proposals relate to the levels originally suggested by France and the United Kingdom for the armed forces of the United States, the U.S.S.R., China (1 million to 1.5 million each) France and the United Kingdom (650,000 each), the pledge not to use nuclear weapons except in defence against aggression subject to Security Council approval, the timing for the complete prohibition of nuclear weapons (after completion of 75% of agreed reductions on conventional armaments and armed forces), the discontinuation of nuclear tests and the freeze of present levels of armed forces, this time limited to "armed forces stationed on foreign territories." (The United States government has not yet accepted the Anglo-French proposals on the levels of the Big Five armed forces and on the time-table for the complete prohibition of nuclear weapons. Neither the United States nor the United Kingdom has yet committed itself on the question of discontinuing nuclear tests).

16. The novel features in the Russian programme put forward in Geneva are three-fold. In the first place, Bulganin announced that the Soviet Union had decided to demobilize the military contingents to be withdrawn from Austria and he suggested that the other occupying powers should equally reduce their armed strength in an amount corresponding to the number of their forces in that country. In the second place, the Russian disarmament plan suggests that pending the conclusion of the disarmament convention, the Big Four should "undertake not to be the first in the use of atomic weapons against any nation and call upon all the states to join in this declaration." This proposal involves a number of military and political factors which will have to be carefully weighed by the West bearing in mind the possible use of smaller atomic weapons in a limited war as recently suggested by the United States in connection with the Formosa crisis.

17. The third addition to the Russian programme is the proposal that armed forces of countries other than the Big Five should be limited to 150,000 to 200,000 men. This proposal may be related to the Soviet suggestion on May 10 that armed forces in Germany should be withdrawn and that "strictly limited contingents of local police forces" be formed in both parts of Germany. At present, the NATO limit set for West German armed forces is 500,000 and the present number of armed forces in East Germany is believed to be approximately 100,000. When agreeing to co-sponsor the above-mentioned proposal for the limitation of Anglo-French forces to 650,000 men each, the French explained privately that their implementation of this measure would only be possible if Germany had no more forces on the European continent than France, which in practice would mean a German ceiling of 300,000 men.

Conclusions

18. In general and bearing in mind the admittedly limited purpose of the Geneva Conference, the Four-Power discussions on disarmament may be regarded as a satisfactory exer-

cise. The West has put forward new proposals which may conceivably lead to further progress in disarmament negotiations although in the case of the Eden proposals further exchanges may take place more fruitfully in Geneva than in the United Nations. The United States has adopted a more positive attitude than that to which we have been accustomed in recent years. Their more flexible and realistic approach on the question of inspection which has been the main stumbling block in East-West negotiations was reflected in President Eisenhower's disarmament statement. Although they made no new concessions, the Russians on their side have not retreated from the advances towards the Western position which they made in their proposals of May 10. The Soviet disarmament plan tabled at the Conference was stripped of the unacceptable proposals on sensitive political issues contained in their previous paper. In addition, the Russians have agreed to make a contribution to the proposed international atomic energy agency "as soon as an agreement on setting up the agency has been reached". Finally, there was unanimous agreement on the continuation of the Disarmament Sub-Committee discussions on August 29 in New York.

19. On the other hand, there has been no narrowing of the gap between the Western and Soviet positions. The Russians have not clarified their position on the question of control and inspection nor did they react to President Eisenhower's suggestion of a new approach to this problem. What is more immediately important, the Western Powers may not have succeeded in "unwrapping the package" of May 10, i.e., isolate its disarmament proposals. In spite of what is said in the preceding paragraph about the new Russian disarmament proposals, there were indications during the drafting of the directives to the Foreign Ministers that the Russians intend to keep these proposals in a political context and the final wording of the directives which is apparently the result of a compromise may still enable the Soviet Union to prevent fruitful discussions in the United Nations sub-committee.

20. From a propaganda point of view, President Eisenhower undoubtedly stole the show with his proposals of July 21 and, in general, the sum total of Western plans will have offset to a marked degree the gains derived by the Russians from their proposals of May 10. The Russians, however, may have scored a point on the subject of the prohibition of nuclear weapons at which they have hammered both in their opening speech and in the disarmament discussions. In the light of reports available, the Western powers seem to have just about ignored the subject and their public statements leave the impression that they have definitely abandoned the idea of eliminating nuclear weapons. Behind the scenes the United States succeeded in preventing any reference to this aspect in the final directives.

[PIÈCE JOINTE 2/ENCLOSURE 2]

Note

Memorandum

SECRET

[Ottawa], July 29, 1955

THE GENEVA CONFERENCE: GERMAN REUNIFICATION AND EUROPEAN SECURITY

As had been expected by all the participants, the Geneva Conference produced a definition and confrontation of substantive positions but produced little or no progress towards concrete solutions of the main problems the Conference faced: German reunification, European security, disarmament. Important proposals on all three subjects were, however, put forward. In this paper we propose to examine those relating to German reunification and European security.

2. In their opening statements, all four Heads of Government agreed that these two related questions lay at the heart of their problem. But whereas Western leaders insisted that German reunification must have priority, Premier Bulganin gave first place to the development of a European security system. It was not until the final day of the conference that agreement was reached, in referring the question to the Foreign Ministers, on the basis of "the close link between the reunification of Germany and the problem of European security and the fact that the successful settlement of each of these problems would serve the interests of consolidating peace". After this preamble, the substantive part of the directive instructs the Foreign Ministers to deal first with "a security pact for Europe or for a part of Europe" and relegates German reunification to an acknowledgement of Four Power responsibility for "the settlement of the German question and the reunification of Germany by means of free elections ... in conformity with the national interests of the German people and the interests of European security".

3. At the beginning of the conference, the Western Powers sought to protect the position of the German Federal Government, that European security should not be discussed until agreement had been reached on German reunification. This was really an untenable position from the beginning and the final position adopted can be defended on the grounds that the directive was given on the clear understanding that the two questions of European security and German reunification were to be regarded as interdependent. There is, therefore, no intention on the part of the West to agree to perpetuate the division of Germany by including both Germanys in a European security system. At the same time it is clear that the Soviet authorities have no intention of agreeing to a European security system which would sanctify the reunification of Germany within NATO.

4. Apart from private conversations with members of the Soviet delegation of which we know very little, proposals were made by both sides in an attempt to find a way around the central road block of the conference. From the Western side a number of proposals and suggestions were put forward to convince the Soviet leaders that, if they agreed to German reunification, they need have nothing to fear from a reunified Germany in NATO. To this end Sir Anthony Eden made the following suggestions:

(a) A Mutual Security Pact of the Locarno type between the Big Four and a United Germany (which he later said might be extended to include other European countries as signatories);

(b) A scaling down "of the forces and armaments of each side in Germany and the countries neighbouring Germany", with reciprocal supervision in which a unified Germany would participate with the Big Four;

(c) A demilitarized zone between East and West in Central Europe.

5. Premier Faure made the further suggestion that the Western Powers should offer the Soviet Union the same safeguards vis-à-vis Germany as the Western Powers had already undertaken among themselves under the Paris Agreements. He went on to propose that a united Germany be included in a European security organization open to all European states and held out the prospect "that in the future these two systems of security (NATO and EETO) could be fused into one." This organization, he observed, would be "particularly useful in case ... Germany does not remain in the Western European Union".

6. President Eisenhower spoke in general terms of the need to "take account of the legitimate security interests of all concerned", including the Soviet Union, and directed attention to the safeguards contained in the Paris Agreements, adding that the United States was "quite ready to consider further reciprocal safeguards which are reasonable and practical and compatible with the security of all concerned". However, he did not commit himself to

more specific proposals, though he of course agreed to the definition of the problem in the final directive to Foreign Ministers.

7. The initial Soviet reaction to the proposals of Sir Anthony Eden and Premier Faure was disappointing. Although promising their proposals close attention, Premier Bulganin made it clear on the second day of the conference that the Soviet Union had no need of a system of mutual guarantees; in fact he implied that it was almost insulting to a strong power to be offered such guarantees. However, he showed much more interest in Sir Anthony Eden's proposals when they discussed them in private and at the end of the conference he produced a proposal for an East-West treaty which is not far removed, on the face of it, from the combined suggestions which Sir Anthony Eden and Premier Faure had made in their opening statements. Premier Bulganin's proposal of July 21 (submitted under the heading of European Security) suggests that the Four Powers sponsor a European Non-Aggression Pact to be concluded between the states party to NATO and the states party to the Warsaw Treaty. This pact would be based on two principles:

(a) An undertaking "not to use armed force against one another" without prejudice to "the right of states to individual or collective self-defence";

(b) An undertaking to consult in case of differences or disputes which might present a threat to peace in Europe.

The proposed treaty would be temporary, pending the establishment of a collective security system for Europe.

8. This stopgap Soviet proposal for European security should presumably be interpreted as supplementing the first phase of the two-stage programme proposed by Premier Bulganin in his opening statement. The first phase he defined as a stand-still agreement not to increase the number of foreign forces in Europe under either European or EETO arrangements. In the second stage outlined by Premier Bulganin the states party to both NATO and EETO would simultaneously terminate their respective treaty arrangements and establish a European collective security system. The draft European collective security treaty proposed by Premier Bulganin at Geneva to implement the second phase of his programme does not differ in any important respect from the text tabled by Mr. Molotov at Berlin in February 1954.⁸³

9. Although the second phase of the Soviet programme remained as unacceptable to the Western delegations as it had been at Berlin, Premier Faure and to a lesser extent Sir Anthony Eden, expressed some cautious interest in the Soviet first phase, involving an East-West non-aggression pact and an undertaking not to increase the level of foreign forces in Europe under either NATO or EETO. Had there been the slightest indication of a change in the Soviet position as regards German reunification, there might have been greater difficulty in maintaining a unified Western front on the question of the organization of European security. As it was, however, there was no problem, for the U.S.S.R. not only called for the "complete termination" of NATO in the second phase but in the first phase would have perpetuated both the division of Germany and the régimes of Eastern Europe.

10. When the four Foreign Ministers reassemble in Geneva in October, Chancellor Adenauer will probably have been to Moscow (though he is now thinking of sending Foreign Minister von Brentano in his place if all the Russians want to discuss is establishing diplomatic relations). We may then have a better idea of whether the U.S.S.R. is prepared to move on German reunification. Although this seems improbable at the present time,

⁸³ Voir/See *Documents on International Affairs, 1954*, London: Oxford University Press — Royal Institute of International Affairs, 1957, pp. 37-39.

nevertheless the framework for a negotiated agreement combining German reunification and European security has been set up at Geneva whenever it proves possible to utilize it. As Sir Anthony Eden seemed to be hinting in the closing session of the conference when he pressed the Russians to agree to discuss the two issues "simultaneously", it might not be impossible to combine the safeguards suggested by him with a "freeze" of all foreign forces in Europe and mutual guarantees between the two blocs, *provided* that steps to reunify Germany through free elections were fitted into the timetable for implementing a European security agreement.

11. On one central point, however, Sir Anthony Eden's proposals are not quite clear. He seems in fact to be suggesting that, at least as an interim measure, Germany should for military purposes remain divided even after it had been politically reunified under an all-German Government. I do not see how else to interpret the second proposal of his opening statement when he said "we would be ready to discuss and try to reach agreement as to the total of forces and armaments of each side in Germany and the countries neighbouring Germany" with reciprocal supervision in which a unified Germany would participate with the Big Four. This inference is also strengthened by Sir Anthony Eden's further suggestion of a demilitarized zone or of reciprocal inspection privileges within a specified area on either side of the East-West line.

12. Before the Foreign Ministers resume their work at Geneva, a great deal will obviously have to be done among the Western powers to achieve better co-ordination of their proposals than was evident at the summit conference. M. Faure seems to have been as much shocked by the United Kingdom's proposal of a demilitarized zone combined with Locarno-type guarantees as were President Eisenhower and Sir Anthony Eden by the French Premier's suggestion of budgetary controls as a solution to the problem of disarmament inspection. However, if the Western delegations had confined themselves to suggestions on which they could all have agreed in advance, there would now be much less material for continuing negotiations.

202.

DEA/50346-40

*Note du sous-secrétaire d'État suppléant aux Affaires extérieures
pour le secrétaire d'État aux Affaires extérieures*

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

SECRET

[Ottawa], August 10, 1955

GENEVA IN RETROSPECT

When we sent you, on July 28, our review of the main substantive proposals discussed at Geneva, I mentioned that we were working on a study of the wider implications of the Conference. Now that the principal participants and the correspondents have had their say, I thought we should try to prepare our own assessment, although we still know little more than the press about what went on behind the scenes.

General

2. On the whole, I see no reason to disagree with the consensus that the Conference was genuinely a success. At the NATO Council meeting on July 26, the spokesman of the three Western delegations substantially confirmed the optimistic verdict which their chiefs had previously given to the public. The Western delegations had gone to Geneva with limited

objectives which were more than attained: the main issues were identified in a business-like way with a minimum of discussion of extraneous subjects, and the Foreign Ministers given an agreed directive which would permit negotiations to continue in October within prescribed limits. Although the French delegation's enthusiasm waned during the last two days of the Conference because of the difficulties with Mr. Molotov in reaching agreement on a directive to the Foreign Ministers, all three Western Delegations believed that the Conference had induced for the time being a very sizeable and important thaw in the Cold War, at least in Europe.

3. While the Conference was in session, there was hardly a discordant note in the flood of cordiality, but since it ended and there has been time to sift the "friendliness" of the Summit for any nuggets of agreement or even *rapprochement*, a slight devaluation of the Conference has occurred, both in the press and in official circles on both sides of the Atlantic. In the longer view, I think this devaluation was warranted, but it should not be overdone.

4. All four powers at Geneva had an interest in taking an optimistic view of the Conference. The Russians had been proposing "Summit" talks for years, and the Western Powers had promised to negotiate for German reunification after the ratification of the Paris Agreements. The momentum of past proposals carried the Four to Geneva but, as was confirmed in the event, none of them had prepared specific new proposals until the Conference was upon them. In the circumstances, the Conference achieved all that it could possibly have achieved — a frank definition of the issues to be discussed by Foreign Ministers in October — with the extra dividend of a real break-through in personal contacts and greater understanding among the leaders on both sides, and especially between President Eisenhower and the Russians. As a result, there is hope for a general "unfreezing" of diplomacy though there has as yet been little change in the positions of either side.

5. Perhaps the chief reason for regarding Geneva as a success in relaxing some of the tensions between East and West in Europe is that the leaders on both sides appear to have convinced one another that German re-armament will not be allowed to lead to war. It may even amount to a mutual recognition that war — because it would be nuclear war — can no longer be regarded as an instrument of policy. When Mr. Khrushchev says that both sides came away from Geneva convinced that neither wants war, he may imply that, in terms of policy, Churchill's "saturation point" has already been reached before it might be warranted by the physical facts.

6. Even a few months ago none of the Western leaders could feel quite certain in their own minds that the re-armament of Germany within NATO might not be taken so seriously by the Soviet leaders that they would, within the next few years, decide to gamble on a preventive war to forestall German military strength being joined with that of the United States and NATO. In a period of mounting international tension, it was not inconceivable that Soviet leaders (or their successors in an internal shift of power) might decide to press the advantage they would have from a surprise attack in the mistaken belief that if they did not strike first they would be struck.

7. This is, I know, a debatable theory, but I think the Geneva Conference has done a lot to set at rest any lingering worries we might have had on this score. For at no time did the Soviet delegation revive in any way the threats which their Government had been dispensing while EDC and the Paris Agreements were being negotiated, that dire consequences would follow Western attempts to re-arm the Germans. The Soviet line, as presented at Geneva — and I think we can take it at its face value — is that the re-armament of the Federal Republic in NATO is the main obstacle to German reunification. By implication

the U.S.S.R. will take no more drastic action than perpetuating the present division of Germany. By so doing the U.S.S.R. will at least prevent the Eastern Zone from being joined with the rest of Germany in the Western military alliance.

8. From the point of view of the Soviet delegation, there is every indication that their leaders have returned to Moscow disabused of the notion that the Western powers — and in particular the United States — are attempting to build up forces in Europe in order to reunify Germany by force in preparation for an assault on the Soviet Union.

9. If this is the chief significance of Mr. Macmillan's flippant summation of the Conference on his return ("there ain't gonna be any war"), Mr. Dulles' airport comment on his return home also sums up another aspect of the Conference. When congratulated on his good work at Geneva, Mr. Dulles is reported to have remarked with considerable satisfaction "Well, we didn't give anything away". The same might be said with much more emphasis about the Soviet delegation.

Soviet Policy

10. Any worries the Western Powers may have had before the Conference as to what they would say if the Soviet Delegation made startling new proposals proved groundless. On the main questions at issue the Soviet Premier did not budge. He merely restated their position; but shorn of the usual propaganda trimmings, his "nyets" had a pleasantly unfamiliar ring of sincerity.

11. Both from the Conference record and from the behaviour of the Soviet leaders, the conclusion is almost unavoidable that the Russians are more afraid of German intentions in the future than of American power in the present.⁸⁴ If they are beginning to put more trust in the peaceful intentions of American leadership, they are by no means so sure of long-term German aims and latent ambitions.

12. For this reason we may expect the U.S.S.R. to take its time in promoting German reunification. The first step will be to establish direct relations between the U.S.S.R. and the German Federal Republic. The second step, which they will also try to get Chancellor Adenauer to take next month, will be for the East and West Germans to recognize each other. At least until Chancellor Adenauer has taken that step, it would be unrealistic to hope for the U.S.S.R. to agree to any European Security proposals that posed reunification as a pre-condition. Even simultaneous measures for step-by-step progress towards both a European security system and German reunification will probably be treated with reserve by the Russians.

13. If these assumptions are correct, the only Western proposals the Russians will be interested in following up at Geneva in October will be those aspects of the United Kingdom and French plans for European Security which could be implemented before German reunification, i.e. mutual East-West guarantees, and reciprocal inspection privileges within a specified belt on either side of the East-West line in Central Europe. The Russians would quite clearly prefer the *status quo* to German reunification within NATO.

14. It would be logical for the Russians to let the German situation develop very slowly.⁸⁵ While Dr. Adenauer has been proceeding on the assumption that time is in favour of the Germans, the Russians obviously think the opposite. There seems therefore no reason to alter our pre-Geneva estimate that the Russians would prefer to establish direct con-

⁸⁴ Note marginale :/Marginal note:

There were those in London who put this in reverse when I was there last. L.B. P[earson]

⁸⁵ Note marginale :/Marginal note:

So it would be for us — if the West Germans permitted it! [L.B. Pearson]

tact with the Germans in order to increase the flexibility of their position, and then gradually let the movement towards unification on Soviet terms develop inside Germany.

15. If we assume that the main Soviet aim at Geneva was to re-establish direct diplomatic contact between the two power blocs to reduce international tension, to restore the Council of Four as the main forum for dealing with European problems, and to put their relations with the United States on a more normal diplomatic basis, then they have completely succeeded. We have already in previous memoranda examined the motivations behind the changes in Soviet tactics, and it is not necessary to go into them again here, since I think they are still valid.⁸⁶ More specifically the Russians might have argued more or less as follows:

(a) In the first place, it is probable that the post-Stalin leaders of the U.S.S.R. are well aware of the high price they had to pay for Stalin's gratuitous barbarities and have therefore decided to try to repair as much of the damage as they can, without at the same time giving up anything of importance which Stalin won for the U.S.S.R.

(b) The better international atmosphere generated by Geneva must lead the Russians to hope for a period of *détente* and relative reduction in the risk of war so that they can concentrate on consolidating their economic and political position at home and in the satellites. If this should prove of reasonable duration they might be able eventually to taper off on re-armament and to restore the cut in the consumer's goods programme and therefore solve or postpone the social problem which the lack of progress in raising the standard of living has brought to a head.

(c) A *détente* might also be expected to slow down Western re-armament and reduce defence expenditures to the point of creating the depression in capitalist states which Soviet economists have been hopefully predicting since 1946.

(d) The Russians have always preferred to do business on a big power basis. They have now to all practical purposes restored the Big Four Council of Ministers, and have even made a start on restoring the straight United States—U.S.S.R. super-power relationship.

(e) Finally they have prepared the ground for a more subtle and (for the West) dangerous threat to Western Europe, one which Stalin fortunately did not use in the post-war years. Memories are short, and the Russians may well be able over a few years, if they are skillful, to convince the West that the U.S.S.R. is genuinely peace-loving, constitutes no threat to the outside world, and that internally it is not so different from the West. I do not suggest that the Russians have in mind a policy of softening up the West in order later to make a military attack, but simply that the policy of softening up could, in Soviet eyes, lead to a slackening of vigilance against both the external and internal threat, and therefore *ipso facto* lead to conditions in Europe more favourable to the pursuit of Soviet aims by non-military means.⁸⁷

Western Policy

15. As for the Western side, it too seemed content to rest, for the time being, upon the *status quo*, maintained in an atmosphere of greater confidence than could have seemed possible even a few months ago. In fact the only delegations evidently prepared to discuss the terms of a possible *détente* were the United Kingdom and French delegations. Both the United States and Soviet delegations had clearly decided in advance to restrict what they were to say, in formal session at least, to a restatement in more amicable language of the

⁸⁶ Voir/See Document 528.

⁸⁷ Note marginale :/Marginal note:

This may well be their main motive L.B. P[earson]

issues for subsequent negotiation by Foreign Ministers, rather than to come to grips with them at the Summit. Both the United States and Soviet delegations made a number of specific proposals, but apart from President Eisenhower's dramatic offer to exchange military blueprints with reciprocal aerial inspection, the only important new ground broken at the Conference was by Sir Anthony Eden and M. Faure, whose proposals we analyzed in our earlier memorandum.

16. Despite the misgivings of the United States Delegation, the United Kingdom and French proposals seem to offer the most hope for future negotiations on Germany and European security. In his statement to Parliament in London on July 27, Sir Anthony Eden left the door open to "joint inspection *and limitation*" of forces in Central Europe *before* reunification.⁸⁸ At the same time he made it clear that his proposed Locarno guarantees (of Five Powers or more) would not guarantee frontiers but "would be solely concerned with resisting acts of aggression". (How such a Treaty could be drafted so as not, in effect, to guarantee frontiers is obscure).

The Germans

17. Although Sir Anthony Eden's attempts to get the Russians to play "step by step" on both European security and German reunification simultaneously may be somewhat risky, particularly from Chancellor Adenauer's point of view, it cannot be considered as wholly safe for the West to stand still. The Germans are already swinging with alarming speed from supreme over-confidence towards a mood of despair over reunification which could only favour the Socialists and an equivocal policy towards the West and NATO.

18. Certainly Chancellor Adenauer and his supporters can take no comfort from the present Soviet position which relegates German reunification — as the Russians used to say about Western proposals to prohibit atomic weapons — "to the Greek Kalends", and makes future progress dependent on "the participation of the Germans themselves". For this reason the German press has given a pretty glum appreciation of Geneva and Chancellor Adenauer may have to reconsider his premise that Soviet economic weaknesses and worries about China's industrialization and growth were forcing Soviet leaders to come to terms with the West as soon as possible. Geneva tended to confirm our own appreciation that on whatever level the negotiations were to be pursued, the Soviet Government would continue to be a hard bargainer and that it would be wishful to set too much store by her "feet of clay".

Conclusions

19. The Western Powers entered the Geneva discussions with certain disadvantages, even though it was they who proposed the conference. Geneva was born as a political necessity for the British and French, and, in spite of the deliberations of tripartite working groups, no really unified Western aims were worked out in advance. We can presume, however, that one of the aims was to restore our relations with the U.S.S.R. to the plane of normal diplomacy, and to reach a tacit agreement that our differences would not be settled by force. The process of negotiation, which we have always said was the aim of the policy of strength, has begun, and begun in the proper atmosphere.

20. In this first round of negotiations, nothing was given away by either side. When the Foreign Ministers meet in October their problem will be once again, as at the Berlin Conference eighteen months ago, to reconcile conflicting priorities for European security and

⁸⁸ Voir/See United Kingdom, House of Commons, *Debates*, 1955-1956, Fifth Series, Volume 544, Cols. 1212-1221.

German reunification. Yet behind their formal position, the Soviet delegation at the Summit, as at Berlin, seemed to prefer to acquiesce in Western Germany's re-armament within NATO rather than expose the satellites to the shock of throwing Communism over-board in Eastern Germany. Even the idea of "an Austrian solution" for Germany, although it was raised by the Soviet delegation, was not pursued with any conviction.

21. Neither the satellites nor Asian questions were seriously discussed at Geneva. The time was probably not ripe to go beyond statements for the record. Yet any long term improvement in relations between East and West which may occur as a result of the Geneva Conference is bound to undermine the morale of anti-Communist elements in Eastern Europe.

22. The post-Geneva prospects for Western Europe are also not without danger. The fear of direct Soviet aggression against Western Europe has been the mainspring of the NATO build-up of Western strength without which the Geneva Conference could hardly have been held. To the extent that public opinion in Western Europe ceases to fear a direct Soviet attack, the momentum of NATO as a military alliance is bound to slacken and there may be greater opportunities for "openings to the left" in such countries as Italy and France. The Italian Ambassador in Ottawa has already drawn our attention to this possibility. With this prospect, it becomes more important than ever to bring to life the non-military aspects of NATO and to make them mean something for public opinion in Western Europe.

23. If the Russians are prepared to wait, and to play their cards skillfully, they might create a situation in Western Europe (and perhaps even in the United States) where public opinion demanded the withdrawal of United States and Canadian forces. The Russians may have decided that they could not force the United States out of Europe, but they might be able to accomplish this eventually through a policy of conciliation.

24. It also means that the whole policy of the nuclear deterrent on which Western strategy is based may have ushered in a new kind of stalemate in diplomacy. For if no issue is big enough to fight for in this nuclear age, the balance is heavily weighted in favour of the *status quo*. True, a certain liberation of diplomacy may result from the removal of the more immediate and menacing fears of surprise annihilation on both sides. But if there is a tacit acceptance on both sides that *no* issue is worth codestruction, coexistence will be crystallized.

25. We have, however, been considering East-West relations in the light of Geneva where Asian problems were not dealt with except in passing, and where Asia was not represented. Indeed it seems altogether likely that the apprehensions of a new war which seem to have induced the friendlier atmosphere of Geneva spring at least in part from the situation in Asia rather than Europe. Though Premier Bulganin and President Eisenhower may now put more confidence in each other's peaceful intentions, the danger of war is far from having been eliminated.

26. At the same time I think we can assume that President Eisenhower's performance at Geneva has done a great deal not only to convince the Russians but also the rest of the world, including anti-American or neutralist sentiment in Western Europe, that the aim of the Western Alliance is peace with security. That in itself will be worth a great deal to the unity of the free world, though neither side has given ground and though Geneva may have made it easier in some ways for the Soviet leaders to pursue their aims by other than military means. If so, the West should not be slow in taking up the new form of the old

challenge, which, if properly handled by the democracies, is more likely to be to our advantage than the sterile and dangerous hostility of the two military blocs.

R.M. M[ACDONNELL]

SECTION C

LA CONFÉRENCE À GENÈVE DES MINISTRES DES AFFAIRES ÉTRANGÈRES,
27 OCTOBRE-16 NOVEMBRE 1955
GENEVA CONFERENCE OF FOREIGN MINISTERS,
OCTOBER 27-NOVEMBER 16, 1955

203.

DEA/50346-40

*Le représentant permanent auprès du Conseil de l'Atlantique Nord
au secrétaire d'État aux Affaires extérieures*

*Permanent Representative to North Atlantic Council
to Secretary of State for External Affairs*

TELEGRAM 1151

Paris, September 30, 1955

TOP SECRET. IMMEDIATE.

Reference: Our telegram No. 1139 of September 26, 1955.†
Repeat London No. 156; Washington No. 68; Bonn No. 55.

NATO CONSULTATION PRIOR TO GENEVA CONFERENCE

The Council met in restricted session this morning to hear a report from the Three Powers on the New York Foreign Ministers' meeting.

2. A memorandum was distributed to the permanent representatives with the request that it be returned after the Council meeting. The United States and French representatives explained that this procedure was necessary in order to ensure the strictest secrecy. In my immediately following telegram, I shall, therefore, send a summary which, under the circumstances had to be prepared very quickly, of the Three Powers' memorandum.

3. During the short discussion which took place, both Dutch and Belgian representatives raised the question of membership to the proposed security pact. The Dutch representative wished to have reassurances to the effect that no decision had yet been reached on Western European membership. He was mainly concerned with press reports which seemed to take for granted that the parties to the proposed security pact would be all NATO countries on the Western side and the Soviet Union and her European satellites on the other. Both Parodi and Perkins said that the question of membership was a highly delicate one and that no firm decision had been taken by the Three Powers. It was obvious that no decision could be reached on this point without consultation with the interested countries. The Norwegian representative interjected that any decision to participate in the proposed security pact would, of course, have wide military implications and he felt that consultations would be essential. The Dutch representative wished to stress his own understanding that not only had the Three Powers not yet reached any firm decision as to membership, but that no decision had been taken regarding the suggestions that might be put forward by the Western Powers in Geneva on this point. Mr. Parodi said that his personal understanding was

that no such suggestions would be put forward in Geneva without the matter having been thoroughly discussed between the interested countries.

4. The Belgian representative asked whether the proposed agenda for the Geneva meeting was absolutely firm. He had read press reports, for instance, that Molotov had expressed his intention to introduce new items, which were not covered by the directives received by the Foreign Ministers in Geneva. Mr. Perkins was not in a position to elaborate on this point although he said that it is conceivable that once the agreed-upon agenda had been covered, there might be an opportunity for the Soviets to raise additional points if they so desire.

5. The German representative was asked by his Norwegian colleague whether he had any comments to make on the paper presented by the Three Powers. Mr. Blankenhorn, in reply, said that he had received very scant information from New York on the results of the Foreign Ministers' talks and that he was not prepared, at this stage, to add to what was contained in the Three Powers paper. He explained, however, the meaning of the word "reunification" as applied to Germany. He said that the word "reunification" as used in the memorandum of the Three Powers, relates to the reunification of East and West Germany but leaves entirely open the question of the German territories that have been annexed either by Poland or by Soviet Russia.

6. The question of the procedure of consultation during the Foreign Ministers' Conference in Geneva was briefly mentioned and it was agreed that there should be periodical reports to the North Atlantic Council during the Conference on the occasion of the weekly meeting of the Council, plus whatever special meetings that might have to be called according to developments.

7. It was agreed that a press release on today's consultation in Council would be issued. The text of this press release reads as follows: "The North Atlantic Council met today. They were informed of the results of meetings, in preparation for the Geneva Conference, held in New York between the Foreign Ministers of France, the United Kingdom and the United States on 27th September and between these three ministers and the Foreign Minister of the German Federal Republic on 28th September. Consultations between the Three Powers concerned and their NATO partners will continue."

8. The Council will meet again on Wednesday, October 5th, at which time the Permanent Representatives will have the opportunity of making additional observations on the paper submitted by the Three Powers.⁸⁹

204.

DEA/50346-40

*Le représentant permanent auprès du Conseil de l'Atlantique Nord
au secrétaire d'État aux Affaires extérieures*

*Permanent Representative to North Atlantic Council
to Secretary of State for External Affairs*

TELEGRAM 1152

Paris, September 30, 1955

TOP SECRET. IMMEDIATE.

Reference: Our telegram No. 1151 of September 30, 1955.

⁸⁹ Le Conseil de l'Atlantique Nord reportait la discussion à sa réunion du 13 octobre 1955.
The North Atlantic Council postponed this discussion until its meeting of October 13, 1955.

Repeat London No. 157; Washington No. 69; Bonn No. 56.

NATO CONSULTATION PRIOR TO GENEVA CONFERENCE

Following is summary of the Three Powers' memorandum discussed today in Council:

1. The Three Foreign Ministers met in New York on September 27th. On September 28th they also conferred with the German Foreign Minister in order to discuss preparations for the Foreign Ministers' Conference in Geneva on October 27th.

2. The Foreign Ministers agreed that their tactics in Geneva should be as set out in their last report to the North Atlantic Council (see paragraph 2 of our telegram No. 1139 of September 26†).

3. They agreed that they should keep in the forefront the question of the reunification of Germany. Efforts should be made to bring the U.S.S.R.'s acceptance of the revised Eden Plan which, among other things, provides for free elections and the freedom of Germany to choose her alliances. They expressed the sincere wish of the Western Powers to take measures to develop new security arrangements in order to meet legitimate Russian preoccupations. These proposals, however, should not be presented in the form of a detailed treaty draft in legal terms but, rather, in the form of a memorandum setting out the broad principles and the scope of their offer in a way that would be comprehensible for both sides.

4. Western security proposals should not depart from the following principles:

(a) NATO should remain the irreplaceable foundation of Western security.

(b) Agreement with the East will not be applicable to possible conflicts within the Atlantic community nor does it imply obligations to Western Powers in the event of conflicts arising between members of the Eastern Bloc.

(c) The nature of the commitments assumed will not be stronger than those of NATO and WEU. They should, however, be sufficiently substantial so as to appear as offers of real guarantees to the USSR.

5. Western security proposals comprise both political assurances and military safeguards.

(A) *Political Assurances*

(i) Solemn undertaking to refrain from using force and to settle disputes by peaceful means and to withhold assistance from an aggressor. These undertakings reaffirm the obligations accepted in the U.N. Charter, the London and Paris agreements.

(ii) Provision for Consultation. The Three Foreign Ministers recognize that some provision for consultation with Eastern powers was not without danger for the West, as the Soviets may try to use consultation to undermine NATO or to act as a substitute for NATO consultation. Nevertheless, the Foreign Ministers agreed that some appropriate provisions for consultation to implement the treaty will be required.

(iii) Some provision for appropriate action in the event of an attack in Europe by one of the Western Powers against one of the Eastern parties, or vice versa. Framed in this way, these obligations fall within the principles stated in paragraph 4 above.

(B) *Military Safeguards*. Within a zone (to be determined) comprising areas of comparable size and importance on both sides of the line of demarcation between reunified Germany and the Eastern European countries, a system for the limitation and control of armed forces and armaments would be instituted within this zone.

(a) Levels for armed forces would be specified so as to establish a military balance. These levels would not be raised without prior notice to and consultation with the other parties.

(b) Limitation of armaments would take the form of limitation of stocks, as it does in WEU, and the types of armaments subject to limitation would not go beyond the WEU list.

(c) Special measures might be considered for the disposition of forces and installations in the parts of the zone lying closest to the point of contact between East and West.

(d) Inspection and control would be carried out in order to verify that the limitations were being observed and to provide warning against any preparation of a surprise attack.

These military provisions raise technical questions on which military advice is needed. Availing itself of the Council's ruling of August 30th, the Three Foreign Ministers intend to request the NATO military authorities to give them their views. In doing so, they will state the political assumption that the new arrangements should not impair the relative security posture of NATO vis-à-vis the Communist Bloc.

6. The Foreign Ministers had a preliminary discussion on membership. The desirability of keeping the scope of the pact directly related to the situation existing as the result of the reunification of Germany, was emphasized. Military arrangements would not be confined to dealing with that problem. In view of the limited scope of this aspect the Three Powers believe that there should be a full exchange of views in the North Atlantic Council on membership before a final decision is taken.

7. The Foreign Ministers agreed that the Tripartite Working Group will reconvene in Paris on October 10th.

8. The Foreign Ministers considered arrangements for consultation with their NATO partners during the Geneva meeting, and expressed the hope that the views of the other governments on this matter will be made available to the Working Group in Paris.

9. There was a meeting on September 27th of the Foreign Ministers of France, U.K., U.S.A., U.S.S.R. They considered procedural arrangements and agreed that the duration of the Conference would be about three weeks.

205.

DEA/50346-40

*Le secrétaire d'État aux Affaires extérieures
au représentant permanent auprès du Conseil de l'Atlantique Nord*

*Secretary of State for External Affairs
to Permanent Representative to North Atlantic Council*

TELEGRAM S-1036

Ottawa, October 4, 1955

TOP SECRET. IMMEDIATE.

Reference: Your telegrams Nos. 1151 and 1152 of September 30.
Repeat London S-1640; Paris S-640; Bonn S-247; Washington S-1690.

NATO CONSULTATION ON EUROPEAN SECURITY

I am afraid there is little we can usefully suggest that could be of assistance to you for the Council meeting on October 5. The Western statement, as outlined in your reports, appears to us generally satisfactory but obviously requires some filling in to make it a clear cut proposal which could serve as a basis of discussion and negotiation.

2. Perhaps the Expert Working Group which is to meet again in Paris shortly will be able to spell out the exact relationship in time between the Western programme for German reunification and the stages of a European security treaty. These two components, which in

our view should be agreed as a package, would have to be implemented according to an agreed timetable which, so far as we know, has yet to be worked out.

3. We continue to support the premise of the Eden proposals, that Germany when united must be free to choose her future alliances; this is in any case no more than a statement of political fact, since no prior agreement could effectively bind a united German government. At the same time, of course, we attach the greatest importance to the continuation and strengthening of Germany's association with the West through NATO.

4. You may also support the observations of your Dutch, Belgian and Norwegian colleagues regarding the question of membership in the proposed security pact.

5. As regards the procedure for consultation during the Foreign Ministers Conference, periodic reports during the Conference on the occasion of the weekly Council meeting or at special meetings if required, would be satisfactory to us.

6. We hope to send you our further comments shortly. When will the Council next discuss this subject?

[J.] LÉGER

206.

DEA/50346-40

*Le secrétaire d'État aux Affaires extérieures
au représentant permanent auprès du Conseil de l'Atlantique Nord*

*Secretary of State for External Affairs
to Permanent Representative to North Atlantic Council*

TELEGRAM S-1047

Ottawa, October 11, 1955

TOP SECRET. IMMEDIATE.

Reference: Our telegram No. S-1036 of October 4 to CANAC.

Repeat Paris S-659; Washington S-1726; London S-1670; Bonn S-255; Immediate to Minister at Colombo S-210.

EUROPEAN SECURITY ARRANGEMENTS — CANADIAN PARTICIPATION

1. Until we get more definite information we shall have to remain non-committal on subject of Canadian participation although this should not be taken as lack of interest. The attainment of the reunification of Germany by means of a satisfactory European Security Treaty is naturally a most desirable objective; it is not clear to us at this stage that Canadian participation in such a treaty would make this objective more attainable nor do we see precisely how Canadian security commitments would be affected.

2. Canadian participation would seem to be easily acceptable only in the event that a European Security Treaty would be underwritten by all NATO Powers. If Western participation were confined (as in the U.S. draft) to the W.E.U. Powers plus the U.S. and Canada, we can foresee quite serious difficulties from certain NATO quarters being left outside the new club. There would also be a certain air of unreality in having Canada guarantee a German settlement when a country like Norway did not. The question therefore seems to be whether a European Security Treaty underwritten by all NATO Powers would be more likely to prove generally acceptable both to Moscow and the West than one in which only European Powers (probably the W.E.U. Group) and the U.S. would participate.

3. The three Powers have agreed in principle that their European security arrangements would not extend their existing commitments under NATO and W.E.U. While this is no doubt true in terms of practicable probabilities, the signatories of a European Security Treaty would presumably undertake "to act in accordance with their constitutional procedures" in the event of, say, a united Germany attacking Poland to recover its lost territories. The same safeguards would of course apply equally to all on either side and this example is given merely by way of illustration. At this stage we are unable to discover whether or not additional commitments would be undertaken were Canada to sign such a treaty; we will be in better position to consider this when we know more about the nature of the guarantees which could range all the way from a "no force" undertaking reaffirming U.N. Charter language to something like NATO's Article Five.

4. In practical terms there is no doubt that because of our NATO obligations Canadian forces would be involved if the forces of our principal Western Allies were involved in any kind of conflict with Soviet forces in Europe. Because of our geographical position between the U.S. and the U.S.S.R. we would also be involved on another front, the importance of which is increasing very rapidly. It is therefore in the Canadian interest to assist in the achievement of a lasting détente in Europe consistent with our own security. Although at present the Western and Soviet versions of a European Security Treaty are far apart, it would be in the interests of Canada if an agreement could be reached whereby Germany would be unified. Given certain conditions, tension in Europe would thereby be substantially lessened and we could expect a partial pulling back or thinning out of forces on both sides. This might in due course facilitate a redeployment of Canadian forces so as to give a better protection to our northern frontier.

5. If present proposals reach the stage of serious negotiations Canadian position will largely be conditioned on whether or not all NATO members are to participate in a European Security Treaty. If W.E.U. rather than NATO is to form the Western nucleus (with of course the United States) this might strengthen the W.E.U. inner circle. Whether NATO as such would gain or lose by such a concentration of power and interests in W.E.U. is impossible to say at this time. On the other hand all NATO countries might not necessarily wish to participate in such a treaty even if invited to do so by the Western Powers.

6. If it became clear that no additional commitments were really involved, and if it looked as if the chances of securing Soviet agreement were better on the basis of a European Security Treaty underwritten by all NATO members, it seems that the Canadian Government would be unlikely to refuse to participate if all NATO members were also willing to do so. Until the matter has been considered by the Government, however, we must be careful to avoid giving the impression to others that we are either favourably or unfavourably disposed towards Canadian participation. Like all NATO members we are interested and concerned not only for European security but also for the future of NATO.

7. I would appreciate your comments on these reflexions. You will also wish to bear them in mind when discussing the Security Treaty with your colleagues in the Foreign Offices of

the countries to which you are accredited, without giving the impression, however, that they should be taken as firm Canadian policy.⁹⁰

[J.] LÉGER

207.

DEA/50346-40

*Le secrétaire d'État aux Affaires extérieures
au représentant permanent auprès du Conseil de l'Atlantique Nord*

*Secretary of State for External Affairs
to Permanent Representative to North Atlantic Council*

TELEGRAM S-1048

Ottawa, October 11, 1955

TOP SECRET. IMMEDIATE.

Reference: Our telegram No. S-1047 of October 11 and No. S-1036 of October 4.
Repeat Paris S-660; Washington S-1727; London S-1671; Bonn S-256.

EUROPEAN SECURITY ARRANGEMENTS

At the Council meeting on October 13 you may base your questions and comments on our telegram under reference.

2. I doubt whether detailed comments on the substance of the problem would be very useful at this stage, even if we were clearer that we are as to the principles on which the Western Powers will base themselves at the Foreign Ministers meeting. Largely for reasons of presentation, we would prefer to see the Western proposals put forward in one package, comprising both the principles and the timetable for implementing by stages parallel agreements on German reunification and European security.

3. We are glad to note that the Three Powers are in agreement that a united German government must be free to determine its own alliances. Apart from the fact that the USSR would never agree to united Germany's inclusion in NATO as a pre-condition, it would not be consistent with either the sovereignty of a German government yet to be formed or with the position adopted by the Western Powers at the Summit meeting and previously at Berlin. Germany should be free to choose because we desire both reunification and the closest possible association of a united Germany with the West. Any other terms would be suspect in Germany and would tend to weaken her western ties.

4. In present circumstances, with the USSR so firmly committed to the support of the East German régime and its social and economic patterns, it is clearly necessary for the Western Powers to try to formulate preconditions for a European Security Treaty that will appear to world opinion to be reasonable, while making sure that they do not thereby prejudice their own security.

⁹⁰ Les documents 206, 207, 209 et 210 sont les documents d'information les plus importants ayant été acheminés à Wilgress qui avait assisté à la réunion ministérielle en l'absence de Pearson. Wilgress a également reçu un document sur la réunification de l'Allemagne (introuvable) et des rapports sommaires sur les délibérations de Pearson en Union soviétique. Pour les documents sur la visite du ministre à Moscou, voir le chapitre 5.

Documents 206, 207, 209 and 210 are the most important briefing papers sent to Wilgress who attended the ministerial meeting in Pearson's absence. Wilgress was also sent a paper on German Reunification (not located) and summary reports of Pearson's discussions in the Soviet Union. For documentation on the Minister's visit to Moscow, see Chapter 5.

5. It seems improbable that the Russians are at this time seriously interested in a Germany unified on the basis of genuinely free elections and with freedom to choose its alliances, neutrality is likely to be the minimum Soviet condition, whenever they decide the time is ripe for serious negotiations. Meanwhile, the West must nevertheless continue to insist upon the unreasonableness and inacceptability of the Soviet demand that NATO be scrapped — that we abandon real security for paper promises and non-aggression pacts. Any European security arrangements must, therefore, be supplementary to NATO.

[J.] LÉGER

208.

DEA/50346-40

*Le représentant permanent auprès du Conseil de l'Atlantique Nord
au secrétaire d'État aux Affaires extérieures*

*Permanent Representative to North Atlantic Council
to Secretary of State for External Affairs*

TELEGRAM 1187

Paris, October 14, 1955

SECRET. IMPORTANT.

Reference: Our Telegram No. 1159 of October 5th.†
Repeat London No. 161; Washington No. 70; Bonn No. 59.

NATO CONSULTATION ON EUROPEAN SECURITY

The Tripartite Working Group met in private session with the Council yesterday.

2. The French expert, Mr. Jean Duridan, speaking for his U.S. and U.K. colleagues, Mr. Beam and Lord Hood, said that they did not have a further written report to submit to Council and that their main purpose was to listen to whatever comments the permanent representatives might wish to make on the views expressed in the Three Powers' memorandum already made available to Council (our telegram No. 1152 of September 30th).

3. The Belgian representative, who told me that he had kept in close touch with Mr. Spaak, was the first to speak. He made some preliminary remarks about the fact that he hoped the Three Powers would be in a position to submit a more detailed memorandum outlining the proposals that will be put forward in Geneva. The experts agreed that they will try to do so next week. Mr. De Staercke also wanted to make sure that what was understood by the Eden revised plan was still the plan the main features of which were outlined by the Expert Working Group in Council on July 12th (see our telegram No. 890 of July 12th).† The reply to this question was in the affirmative.

4. Mr. De Staercke went on to discuss the substance of the Western proposals. He said that one of the weaknesses of these proposals is that they seem to be predicated entirely on the assumption that Germany will elect to remain in NATO. He said that his government felt very strongly that from a tactical point of view, and also from the point of view of presentation to public opinion, we should take pains to indicate that Germany is absolutely free to make her own choice about her future alliances. Otherwise, we can only prejudice our chances of the Soviets accepting our proposals. It was important, also, to indicate that we were not committed forever to all the modalities of the Eden Plan.

5. Mr. De Staercke then discussed the juridical form that might be taken by the proposed security pact. His authorities were not convinced that the pact should be concluded between NATO and the Warsaw powers considered as legal entities. From a juridical point

of view, it was difficult to see what is meant by NATO and the Warsaw Pact signatories as groups. It would seem wiser to have the pact arrived at on a multi-lateral basis. He also foresaw some difficulties in identifying the exact nature of the conflicts that might arise between members of the Eastern Bloc as well as conflicts that might develop within the Atlantic community. This will require careful consideration. It had been stated that the nature of the commitments to be assumed under the proposed security pact would not be stronger than those of NATO and W.E.U. His authorities thought that there is some danger in equating obligations under NATO and W.E.U. Under NATO, when an emergency situation arises there is an obligation for consultation; under W.E.U. automatic assistance is provided in case of aggression. It is, therefore, important to decide whether the proposed security pact should adopt the NATO or the W.E.U. pattern. With regard to the question of membership, Mr. De Staercke said that his government would be opposed to participation only by W.E.U. powers. They would favour participation by all NATO countries including, of course, the United States and Canada as, otherwise, the pact becomes meaningless. With regard to provisions for consultation, his authorities thought that this would necessarily entail the setting up of some permanent structure for consultation. What would be the nature of this structure? If some control functions are to be performed, what would be the authorities entrusted with controlling responsibilities? These questions and many others will have to be answered before the views of his government could be obtained.

6. Finally, Mr. De Staercke discussed the possible attitude of the Soviets in Geneva. On the face of it, it seemed obvious that the position adopted by the Western Powers and the proposals they will put forward in Geneva are incompatible with what we know of the Russian approach to the problem of Germany. Under these circumstances, it is difficult to see how the Conference could be expected to last three weeks. There seems to be little room for negotiations and once the Western and Soviet theses have been confronted, the Conference will break off unless, of course, there are other proposals that the Western Powers intend to put forward if the Soviets refuse to accept the Western proposals. His government would wish to know what they are. There may also be a danger that, in refusing to discuss the Western proposals, the Soviets will find themselves at a tactical advantage in having manoeuvred us into accepting the first stage of the Bulganin Plan on an all-European collective security system. Mr. De Staercke ended up his remarks by saying that it is vital for the West to present its proposal in a constructive and realistic manner if we wish to impress world public opinion with the sincerity of our approach.

7. The French expert explained that the reason why the alternative of Germany's opting for NATO receives so much emphasis in the Western proposals is due to the fact that if the Western Powers are to assume certain security obligations, they could, of course, only envisage doing so in the case where Germany elected to remain in NATO. It was certainly not our intention to give the Soviets the impression that Germany was not free to choose her own alliances and this is why it was decided not to confront the Soviets with a text of a proposed European security treaty, but, rather, with a memorandum setting forth the general principles that may form a basis for discussion. The project envisages three main phases. If the Soviets agree to the reunification of Germany, we will discuss the possibility of giving them some security guarantees. If free elections are carried out in Germany, certain additional guarantees of a political nature will be forthcoming. Finally, if Germany elects to remain within NATO, the military provisions of the treaty will come into force.

8. Mr. Duridan agreed with Mr. De Staercke that the Eden revised plan was not sacrosanct and did not constitute a permanent and definitive offer to the Soviets. With regard to the juridical form that the treaty might take, the Working Group was very much aware that a pact concluded between NATO and the Warsaw Powers would tend to consolidate the

Eastern Bloc. The best formula would probably be a multi-lateral treaty. On the Western side, the participants would be the NATO countries which consider themselves more directly concerned and which would be prepared to accept commitments with the agreement of their NATO partners. With regard to possible conflicts that might arise between members of the two groups, Mr. Duridan said that their main concern had been to avoid giving any pretext for the Eastern Bloc to intervene in matters that are of a NATO concern. On the question of provision for consultation, Mr. Duridan said that the Working Group was abiding by the principle that no machinery of consultation should be set up which would eventually enable the Soviets to bypass NATO. He admitted, however, that more thought will have to be given to this problem. On membership, Mr. Duridan simply said that if the United States and Canada were not members to the treaty, its significance would be lost.

9. The U.S. expert, Mr. Beam, said that they were fully aware that the Soviets will want to retain the status quo, arguing that the problem of reunification of Germany should be worked out by the two Germanies themselves and that we should go ahead and discuss a general security pact while this matter was being settled. This should not deter us, however, from taking the position that there is no real basis for European security until the problem of the reunification of Germany had been solved.

10. Lord Hood spoke briefly but his remarks were perhaps more revealing of the Western position than those of previous speakers. He admitted frankly that in trying to evolve proposals on European security we have little hope of attracting the USSR into accepting them. What we are trying to do really is to persuade public opinion that we have made genuine offers to bring the USSR to agree to the reunification of Germany. Therefore, the Western Powers do not want to go into too much detail at this stage regarding European security plans. Such plans, we know, can be worked out if the Russians show any inclination to accept our proposals. This exercise is mainly directed at public opinion and if the Russians do not accept our proposals, we would have demonstrated that they failed to do so by reason of their political ambitions and their desire to extend communism in Europe.

11. The Italian representative expressed his government's concern about the effect that the proposed security pact would have on NATO. They fear that it would weaken NATO. He also endorsed the view that we should make it clear to the Russians that we are giving Germany a free choice regarding her future alliances. With regard to membership in the proposed treaty, he said that his authorities hoped that they will comprise the WEU powers plus the United States and Canada plus any other NATO members wishing to take part.

12. The Dutch representative showed some concern over the fact that so many problems were still unsolved just two weeks before the Conference is scheduled to start. He agreed with the views expressed by his Belgian colleague regarding Germany's freedom of choice and the juridical form that the treaty might take. Commenting on Lord Hood's remarks that the Geneva Conference was really, as far as the West was concerned, an exercise to influence public opinion, Mr. Van Starckenborgh asked whether we were sure that our respective public opinions would agree that the West was making realistic proposals to the Soviets. After all, we must realize that we are asking a great deal from the Soviets — free elections in Germany; the end of the East German régime; the integration of a reunified Germany within NATO — and what are we prepared to give in return? The political guarantees that we are offering can mean very little and the military safeguards that we are proposing by no means weaken our military position. It is, therefore, doubtful that the public will gain the impression that the West is making a serious attempt to reach a settlement with the USSR.

13. Mr. Duridan admitted that the Western Powers had set its target quite high, e.g. trying to influence the Russians into accepting the reunification of Germany. If this objective can be achieved, it will mean the end of the favoured position that Russia enjoys in Europe at the moment. He was not prepared to say that we offered little in return. In fact the mutual assistance clause of the proposed treaty is revolutionary. It would be the first time that a large number of Western Powers agree to guarantee the security of the USSR and Eastern European countries.

14. Sir Christopher Steel interjected that disarmament proposals might also be put forward which could prove attractive to the Russians.

15. I asked whether the members of the Working Group were in a position to give us an indication of the progress that had been achieved regarding Western thinking on disarmament. Disarmament is, of course, one of the items mentioned in the directive to the Foreign Ministers and, presumably, will play an important role in the negotiations. Lord Hood replied that this subject was dealt with by another working group and that they were not in a position to inform the Council on this point. He said that the proposals on disarmament and those relating to European security will very likely be brought together at the ministerial meeting in Paris.

16. The Norwegian representative developed the same theme as his Dutch colleague, e.g. that we were asking a great deal from the Russians and offering very little in return. He said that although perhaps we should not, under the proposed security pact, weaken our defence posture, we should at least not try to improve it.

17. The German representative returned to the question of disarmament and said that this matter was of extreme importance for the success of the Conference. He was afraid that we would achieve little progress in our talks regarding security arrangements if we are not prepared to discuss disarmament with the Soviets. He felt that the price for the reunification of Germany probably lies more in that direction than in the direction of the conclusion of security arrangements.

18. I then spoke along the lines of your telegram No. S-660 of October 11th and asked for clarification on two points which, to us, appear to be vital, e.g. what is envisaged precisely regarding participation in the proposed security arrangements, and the exact nature of the guarantees that the signatories would be asked to subscribe to. Lord Hood, with regard to the nature of the guarantees to be assumed by the signatories, said that he could add little to what was mentioned in the Three Powers' memorandum. First of all, there were the political obligations consisting of an undertaking to refrain from using force, to withhold assistance from an aggressor, to accept consultation in certain circumstances, and to agree to mutual assistance in case of attack in Europe by one of the Western powers against one of the Eastern parties, or vice versa. As far as military undertakings were concerned, the principles under which they might operate had already been outlined in the Three Powers' memorandum. With regard to the question of membership, he said that the Three Powers had a completely open mind. All the NATO members could agree to subscribe to the pact. From a purely practical point of view, however, it might not be necessary to include all the NATO countries but only those which, by reason of their geographical proximity or because they have forces in the area, are obviously directly concerned. In reply to my question as to whether the participants would be asked to assume responsibilities comparable to those under NATO, Lord Hood said that this was very difficult to answer but added "probably not". He did not envisage any degree of automaticity regarding mutual assistance, but then this matter largely depended on what the vital members would be prepared to accept. With regard to provisions for consultation, this presented

an obvious danger for the West. All that the Western Powers were prepared to agree to at this stage was the principle of consultation. The details of whatever machinery might have to be set up still have to be worked out. He also made the point that the peace treaty with Germany did not enter the picture at all at this stage.

19. The Greek representative spoke without instructions but said that he was certain to express the views of his government in saying that the proposed treaty should be opened to all NATO members and that the principle of automatic assistance should not be accepted.

20. It was finally decided that the Council will meet in private session again on Wednesday, October 19th, in the afternoon, to resume this exchange of views.⁹¹

L.D. WILGRESS

209.

DEA/50346-40

*Le secrétaire d'État aux Affaires extérieures
au représentant permanent auprès du Conseil de l'Atlantique Nord*

*Secretary of State for External Affairs
to Permanent Representative to North Atlantic Council*

TELEGRAM S-1084

Ottawa, October 21, 1955

SECRET. IMMEDIATE.

Reference: Our telegram No. S-1073 of October 19.†
Repeat London S-1749; Washington S-1800; Paris S-691.

FOUR-POWER MEETING: EAST-WEST CONTACTS

In our telegrams Nos. 1057† and 1058† of October 12, we expressed some initial ideas on the subject of East-West contacts. In this message, we shall elaborate on some of the reasoning behind our earlier remarks, as concerns both the advantages and disadvantages of closer contacts during the détente.

2. We believe that there is the possibility of long term advantage to the West in encouraging closer contact between the Soviet leaders and people and the Western world. We would hope that providing we seize the initiative (which we have not yet done), increased contacts might help to remove a possible misconception that the West intends to attack the Soviet Union and, more important, contribute to the hoped-for mellowing and the settling into a conservative mold of the Soviet régime.

3. We also stand to gain from an intelligence point of view from increased contacts, for Soviet knowledge of the West greatly exceeds our knowledge of the Soviet Union. This conclusion is only valid, however, if the Russians genuinely grant greater freedom of movement and easier access to their information, and if our visitors are in some measure selected and briefed.

4. We must not forget, however, as the Chairman suggested in the meeting on October 19 (your telegram No. 1199 of October 19†) that there has been no change in the basic Soviet objectives and therefore no justification for relaxation. Nor is there any evidence whatever to suggest that the Soviet Government, since Geneva, has in any respect reduced its subversive activities through Communist parties and by espionage abroad. If anything, the

⁹¹ Le compte rendu de cette réunion n'est pas imprimé.
The record of this meeting is not printed.

reverse is true. The worst thing that could happen to us politically would be the creation by closer contacts of a new generation of fellow-travellers and "respectable" Communist parties, which in turn by their influence and undercover activity might reduce western public support for NATO to a dangerous degree and generally make our peoples more inclined to believe, without genuine evidence to the contrary, that the Soviet has fundamentally changed its aims and methods.

5. We must therefore expect the Soviets to exploit closer contacts for their own purposes. Only if we develop a policy toward East-West contacts which can be controlled by individual Western countries, rather than by the Soviet, can we have much hope of achieving the long term advantages outlined in para. 2. It will be a difficult policy to pursue but nevertheless worth trying. The principal difficulty in pursuing such a policy will arise from the dilemma in which governments and the press will find themselves sooner or later. Exchanges of visits will undoubtedly be accompanied by friendly statements and a glossing over of differences. These will create in the public mind the belief that the Soviet Government is once again reasonable and friendly and, therefore, the Communist parties must also be reasonable and respectable. How to keep the public informed that the party remains subversive, while uttering warm, flattering phrases about increased contacts is a problem in public relations, but a very real one.

6. Quite apart from the political risks outlined in paras. 4 and 5 above, there is also the security risk in its technical sense. In some measure this will arise from sheer weight of numbers if visitors become numerous and from the enhanced opportunities for the Russians to follow up and exploit the additional contacts. However, these risks can be kept within bounds if domestic security services are sufficiently large and efficient.

7. In spite of these very real dangers, we think that on balance the advantages from closer contacts *can* outweigh the disadvantages, providing our policies are carefully supervised. To leave the initiative in Soviet hands is to invite trouble. We must face the fact that, if the Russians maintain the initiative in arranging exchanges of visits and information, they will do so in a way which is (a) least likely to encourage in their own people discontent with the régime and the present way of life in the Soviet Union; (b) most likely to enhance their knowledge of Western techniques without giving away the secrets of Soviet knowledge; and (c) most likely to encourage that interpretation of Soviet policy referred to in para 5 which we still have no reason to believe. We must seize the initiative and encourage exchanges which have the reverse effect. One way of ensuring this is to proceed cautiously, insisting upon reciprocal treatment and keeping exchanges in at least rough balance.

8. This leads to a discussion of the precise types of exchanges we should encourage. In a subsequent telegram I shall discuss this subject with particular reference to the U.K. paper which was forwarded to you under cover of London letter No. 1726 of October 13.†

9. If you make a statement on East-West contacts at the ministerial meeting, you should emphasize that our views on the subject are by no means fixed. We are working out our policy, but we shall of course want to await Mr. Pearson's return from his trip to Moscow before presenting an agreed Canadian opinion. In any case in your remarks, I think you should emphasize that it will be nigh impossible to cut off East-West contacts if the Russians want to develop them. Therefore it is in our interests to try to channel and control the exchanges. The cautionary remarks made above are simply intended to keep us aware of the dangers in order to prevent them becoming serious.

210.

DEA/50271-A-40

*Le secrétaire d'État aux Affaires extérieures
au représentant permanent auprès du Conseil de l'Atlantique Nord*

*Secretary of State for External Affairs
to Permanent Representative to North Atlantic Council*

TELEGRAM V-1085

Ottawa, October [21], 1955

SECRET. IMMEDIATE.

Reference: Our telegram No. S-1073 of October 19, 1955.†

FOREIGN MINISTERS' COUNCIL MEETING
OCTOBER 25 — DISARMAMENT BRIEF

In accordance with the Geneva Directive, the disarmament sub-committee reconvened in New York and held eighteen meetings between August 29 and October 7 last. You will have received the reports of our delegation on these meetings.⁹² The Big Four reintroduced in the sub-committee the proposals which they had submitted in Geneva i.e. the Eisenhower proposals for exchange of military blueprints and aerial surveys, the United Kingdom proposals for an inspection zone in Central Europe, the French proposals for the control of military budgets and the Bulganin disarmament proposals of July 21st. In addition, the French tabled working papers on the structure and powers of the international disarmament organization. The British also tabled a paper on the rights of inspection of the international control organ.

2. The United States had apparently set its mind on having the sub-committee endorse the Eisenhower Plan with a view to obtaining General Assembly approval during its current session. The explanation given was that since there was no adequate means at the present time of ensuring that stockpiles of nuclear weapons would be eliminated, the sub-committee should provisionally discard previous proposals aiming at the total elimination of nuclear weapons and concentrate instead on the Eisenhower proposals on which agreement might easily be reached within a relatively short time. The beneficial effect on future negotiations would be far-reaching and the progress thus made would contribute greatly to the diminution of the international tension.

3. While agreeing that the Eisenhower proposals for a warning system were a field which might most usefully be examined, the other Western members, including Canada, privately did not agree with the manner in which the Americans presented their case. They pointed out that the United States' decision to relegate earlier Western proposals to a "reserve and inactive status" could only play into the hands of the Russians. The Soviet Union could not help underlining the United States implied abandonment of total prohibition of nuclear weapons and even reduction of armaments in general. Moreover, the Soviet Union would be in an ideal position to lay stress on the fact that the United States had not accepted the Anglo-French proposals on the level of armed forces and on the time-table for the prohibition of nuclear weapons which were embodied in the Soviet proposals of May 10.

4. In spite of the United States insistence, the sub-committee did not take any decision on the Eisenhower proposals. Stassen failed in his repeated attempts to secure Russian agreement in principle to the proposals and partly as a result of this, the Western Powers did not

⁹² Voir/See Documents 62-73.

commit themselves in the sub-committee. As expected, the Soviet representative pointed to divergence of views within Western ranks on the Anglo-French proposals and on the long-range goal of prohibiting nuclear weapons.

5. The British did not table any paper on the Eden Plan for a system of joint inspection in a small area on either side of the present dividing line in Europe, which they considered as more suitable for discussion in Geneva. The United States reiterated in private their fear that the Russians and public opinion might regard the British plan as some indication of the acceptance of a divided Germany. The United Kingdom delegation reassured the United States on this point and refrained from referring specifically in its statement in the sub-committee to Germany or to the dividing line in Europe, and mentioned instead the possibility that the plan could in principle be tried out anywhere where ground forces confront one another. Mr. Nutting stressed that the plan was not intended to effect any change in the present political situation in Europe and certainly no change in the major political objective of his government in Europe, namely the reunification of Germany as a country and of Europe as a continent. He said that the scheme would not necessarily enforce any limitation of forces but that there could perhaps be an agreed limit for equipment and armaments. The Canadian, French and the United States delegation welcomed the plan without committing themselves. Each of them underlined Nutting's statement that the British scheme did not involve any modification in the objective of a unified Germany, the Soviet delegate said that his government regarded the plan as important and deserving of careful attention.

6. Though we had some private reservations, the Canadian delegate welcomed the Faure Plan for budgetary control of military expenditures as an ingenious and useful addition to the fund of disarmament proposals. He indicated our great interest in economic assistance to underdeveloped areas and our hope that if a disarmament plan could be agreed upon it would be possible to make more assistance available to these areas, as well as to proceed further with various domestic programmes. He expressed some reservations about the possibility of a disarmament scheme which relied solely on budgetary controls. The United Kingdom and the United States delegates spoke along the same lines. The Russian delegate commented that the French plan was interesting and deserved considerable study which it was receiving from the Soviet authorities.

7. There was no detailed discussion during the sub-committee meetings of the French and United Kingdom papers concerning the structure and powers of the international control organ.

8. Canada welcomed the Eisenhower proposals during the sub-committee discussions and during his visit in Moscow the Minister confirmed our support of these proposals as part of a general disarmament programme.

9. You will recall that last May we took the initiative in suggesting that disarmament be discussed in the Council. In his statement on this subject the Minister suggested that disarmament might usefully be considered by the four Heads of States in Geneva, which they did. In view of this it would be fitting if you referred at Tuesday's meeting to the Ministers initiative in May.

10. Although the recent meetings of the sub-committee did not produce tangible results in the form of agreed texts, they may be regarded as having paved the way for a more detailed examination of the various proposals which have been put forward with a view to setting up a "warning system" which we have long believed should be the gateway to a general disarmament programme. One would hope that further discussions of these proposals might result in the adoption of a limited though comprehensive disarmament scheme

embodying such elements of these proposals as may be agreed upon. This is not to suggest that these proposals should be implemented as such immediately in their present form and in isolation from any other disarmament arrangements. These proposals however provide a reasonable nucleus around which initial agreement could be developed thus breaking the deadlock in the lengthy disarmament negotiations.

11. It is our earnest hope that the negotiations begun last July at the Summit will be successfully continued by the Foreign Ministers. It may well be that agreement on a comprehensive disarmament programme will have to await a greater degree of mutual trust between major Powers and that this, in turn, will require some measure of progress on outstanding security issues. On the other hand there is little doubt that if some headway were made on the establishment of a warning system as a first step, this would in itself contribute substantially to a reduction of international tension and by the same token facilitate the settlement of other problems. Any progress in future negotiations will of course be dependent upon a more forthcoming attitude on the part of the USSR on the question of control. The Soviet proposals for the posting of observers are considered inadequate even for the limited purpose of setting up a warning system and the Russians have refused to budge on this vital issue during the sub-committee talks in spite of repeated questioning by West. In any event, without prejudice to the maintenance of deterrent strength, the West cannot abandon its reports to bring into being a balanced and effective system of disarmament.

12. Your statement on disarmament should follow the lines indicated in the two preceding paragraphs.

211.

DEA/50346-40

*Le représentant permanent auprès du Conseil de l'Atlantique Nord
au secrétaire d'État aux Affaires extérieures*

*Permanent Representative to North Atlantic Council
to Secretary of State for External Affairs*

TELEGRAM 1227

Paris, October 26, 1955

SECRET. IMPORTANT.

Repeat London No. 164; Washington No. 73; Bonn No. 65.

NATO MINISTERIAL MEETING, OCTOBER 25TH

The Foreign Ministers met yesterday under the Chairmanship of Dr. Gudmunsson. The three main briefings on security arrangements, disarmament and East-West contacts, were given respectively by Mr. Dulles, Mr. Macmillan and Mr. Pinay.

2. Mr. Dulles opened his remarks by saying that the negotiations with the Soviets had been conceived as falling into two distinct phases. First, the Heads of Governments Conference, the prime purpose of which was to develop a new psychological climate between East and West. The second phase, about to start, is designed to test the "Geneva spirit" and see whether progress can be achieved at the working level.

3. Last July it became apparent that the Soviet and Western positions regarding the problem of the reunification of Germany were far apart. The Soviets saw no urgency in trying to bring about the reunification of Germany. They wished to give priority to the formation of an all-European Security Treaty on the conclusion of which NATO, W.E.U. and the

Warsaw organization would be liquidated. It is notable that in the Soviet proposals there was no suggestion that the reunification of Germany would be effected even after the completion of a general European Security Treaty. On the other hand, the Western position was that no genuine European security could be had unless Germany were reunified. At the same time, the Western Powers, in order to meet any legitimate concern for security on the part of the Soviets, declared themselves prepared to consider some security arrangements which would allay Soviet fears.

4. The difference of approach between East and West became acute in Geneva and there was, therefore, great difficulty in bringing about agreement on a directive regarding the question of the reunification of Germany and the establishment of security arrangements. The most that the Soviets would agree to was to recognize that the two problems were linked. Mr. Dulles said that he foresaw that the Soviet position in the forthcoming conference would be the same as that they took in July. As a matter of fact, the Secretary of State would not be surprised if the Soviets would cancel out the small concession they made at the "Summit" meeting.

5. In any case, the Western Powers intend to push along the lines they took at the Heads of Governments Conference and proposed to put forward a paper with two components: the Eden Plan establishing the procedure for the reunification of Germany, and an outline of a proposed security treaty between East and West. Of course, the Western Powers will insist that the two proposals are inter-connected. As far as the Eden Plan is concerned, its main features are well known, they remain substantially the same as those originally proposed in Berlin. The plan provides inter alia, that an all-German Government has the right to elect its alliances.

6. The Secretary of State then made a few comments on the provisions of the proposed Security Treaty (for an outline of the terms of the treaty, see our telegram No. 1226 of today's date⁹³). With regard to the preamble, Mr. Dulles said that the formula used is purposely vague. The Western Powers thought that the parties to the proposed treaty should necessarily be the Four Powers plus Germany, plus any state whose territory is directly involved in the security arrangement, for example, Poland and Czechoslovakia on the eastern side and certain states which may, under certain contingencies, have a direct interest on the western side. Mr. Dulles said, also, that we may have to take into account the Soviet views with regard to participation.

7. Paragraphs 1 and 2 were along U.N. charter lines. Mr. Dulles made the point, however, with regard to paragraph 2, that this clause might eventually come into force before the process of the reunification of Germany had been completed.

8. With regard to paragraph 3, Mr. Dulles said that no attempt had been made to determine precisely the size of the treaty area. It would probably embrace the greater part of Germany, Poland and Czechoslovakia. This is a question on which the views of our military advisers will have to be obtained and it was premature to hold any rigid views before the negotiations.

9. With regard to paragraph 8, Mr. Dulles emphasized that if Germany elects to remain outside NATO, the obligation envisaged in this paragraph would not arise. He said, also, that the U.S. Government considers that it has made a far-reaching concession in guaranteeing the [group corrupt] against aggression by a NATO member. He could conceive a

⁹³ Voir/See *Documents on International Affairs, 1955*, London: Oxford University Press — Royal Institute of International Affairs, 1958, pp. 50-53.

political situation in the United States where such a concession would not be offered. If the Soviets were wise, therefore, they should seize upon this opportunity with alacrity.

10. With regard to paragraph 9, Mr. Dulles said that certain provisions of the proposed Security Treaty will come into effect when Germany is reunified. Other provisions of the treaty, namely, those mentioned in paragraphs 1, 2, 6 and 8 might come into effect before the reunification of Germany is actually completed.

11. Mr. Dulles concluded his remarks by saying that he could see good reasons why the U.S.S.R. would not accept the Western proposals on the reunification of Germany. It would seem that the Soviets are not really interested in security, but that their real concern is with the future of the G.D.R. Not only do they want to retain their grip on East Germany, but they probably realize that if they were to abandon the Pankov régime, this will send shivers down the spines of all the Communist régimes in Eastern Europe. In this respect, it is significant that after the Geneva Conference, the Soviet Delegates spent three days in East Germany trying to reassure the G.D.R. régime that its liquidation was not contemplated. Mr. Dulles finally said that the German Federal Republic, although it was one of the most interested parties, does not want to sit at the table in Geneva if this meant that G.D.R. would also be there. The Federal Republic, however, would be prepared to deal with the G.D.R. on specific provisions of the security arrangements if this is warranted.

12. Mr. Macmillan made a rather brief statement on the question of disarmament. He said that it was not the purpose of the Three Powers in Geneva to assume disarmament responsibilities and substitute themselves for the United Nations sub-committee. Their purpose would, rather, be to try to inject new ideas and suggestions such as had been done last July. If possible, they will try to give new impetus to disarmament negotiations, but they did not have in mind reaching any substantive agreement. He said that the Western Powers were still involved in the vital question of devising effective controls. The problem there was to keep up with scientific developments. A year ago it was thought that effective control could be devised by controlling fissionable material, but this has now proved to be unrealistic. It may be that some effective control of the means of delivery of nuclear weapons could be devised but that again was an open question. With regard to conventional weapons, there was perhaps a real possibility of real advance. Control of conventional weapons was easier to devise, although the methods of inspection presented a difficult problem.

13. The most hopeful avenue to explore was, perhaps, that of building confidence between East and West. In this respect, Eisenhower's proposals were valuable. The Soviets have agreed to study them but so far, have refused to commit themselves.

14. Mr. Macmillan, in conclusion, said that the Western Powers will strive to obtain agreement on a declaration of principles by the Four Powers on disarmament. He did not, however, give any details as to its contents.

15. Mr. Pinay spoke about the development of East-West contacts. He recognized at the outset that the Western attitude on this question cannot be negative. He said that we had much to gain from the free interchange of ideas, persons and information between East and West. The common civilization shared by Eastern and Western countries offers a natural bridge between the two worlds. Our hope was that, through a freer interchange, we could influence thinking behind the iron curtain.

16. On the other hand, we should be alive to the dangers of such a policy. We could expect the Communists to utilize the new spirit to further the aims of their propaganda and help the development of Communism. The West could come forward with precise proposals such as the establishment of air lines between the important centres of the U.S.S.R. and

the Western capitals. The question of opening trade between East and West could also be explored, although with great cautiousness. There could be no question, for instance, of abolishing Western controls of strategic materials, although we could give the Soviets to understand that major concessions in other fields might bring about some rewarding results. He concluded his remarks by saying that although there was a certain pessimism as to the possibility of reaching agreement with the Soviets on the major political issues, it was reasonable to expect, with regard to the question of East-West contacts, that the Soviets would be more amenable. It was up to us to test Soviet sincerity by adopting a positive and constructive attitude on this question.

17. In our immediately following telegram, we shall try to summarize the discussions that took place in these three main topics.

212.

DEA/50346-40

*Le représentant permanent auprès du Conseil de l'Atlantique Nord
au secrétaire d'État aux Affaires extérieures*

*Permanent Representative to North Atlantic Council
to Secretary of State for External Affairs*

TELEGRAM 1228

Paris, October 26, 1955

SECRET. IMPORTANT.

Reference: Our telegram No. 1227 of October 26, 1955.
Repeat London No. 1228; Washington No. 74; Bonn No. 66.

NATO FOREIGN MINISTERS' MEETING — OCTOBER 25/55

In our immediately preceding telegram, we outlined the statements made by the Three Powers on German reunification and European security, disarmament and East-West contacts. We now propose to report the general discussions on these three main subjects which followed.

I. GERMAN RE-UNIFICATION AND EUROPEAN SECURITY

(a) *General*

2. Two points emerged early in the general discussion: firstly, there appeared to be general approval of the continuation of the Three Power dual approach to the questions of German re-unification and a security treaty; and secondly, the Conference expressing general agreement with the paper prepared by the Standing Group in answer to the request of the working group. We have already sent you the contents of this paper. The conference merely commented that the width and location of any controlled zone and of any area of radar overlap required further study.

3. There was, however, considerable discussion concerning the future status of a re-unified Germany. While the Eden plan for re-unifying Germany appeared acceptable, discussion centered around the best phasing of the articles of the Three Power security proposals in order to emphasize to the Soviet Union that a re-unified Germany would be free to choose her own international obligations but that, should a re-unified Germany elect to remain outside NATO, the security of both sides would have to be guaranteed by some other arrangement, excluding German neutrality.

4. Mr. Spaak suggested that the proposals should be stated in such a way as to underline the danger to both sides of a unified neutral Germany. It would be the freedom of re-unified Germany to manoeuvre rather than her re-unification itself that would be dangerous. Continuing in this vein, Mr. Spaak suggested that the present proposals are not a security treaty at all but are really a security guarantee supplementary to the proposals to reunify Germany and therefore might be presented at Geneva as such rather than as a rather blunt *quid pro quo* for the Soviet agreement to the admission of a re-unified Germany to NATO. He suggested that the progressive phases of the security proposals could be adjusted to permit this approach.

5. Mr. Wilgress then expressed the Canadian position along the lines suggested by you, and informed the conference of Mr. Khrushchev's discussion with Mr. Pearson, in which the former had expressed the wish to join NATO or to replace it, and had in fact stated that there should either be "both Germanies or neither" in any security treaty.⁹⁴ Mr. Wilgress mentioned Mr. Khrushchev's apparent interest in a security guarantee signed by a number of States, but pointed out that Mr. Khrushchev had included smaller powers on a one-for-one basis, i.e. Denmark, Belgium, Czechoslovakia and Poland. Mr. Wilgress suggested that the Three Powers should confine themselves at this stage to general principles and might emphasize the proposed free choice by a re-unified Germany of its international obligations.

6. On the whole, the Conference expressed agreement with Mr. Spaak's analysis of the proposals as being a supplementary guarantee rather than a security treaty. While agreeing with the Three Power analysis of Soviet intentions, the majority of the NATO Foreign Ministers considered it necessary to convince public opinion of the sincerity of our wish to negotiate. Moreover, most nations present appeared to consider it essential that aggression by a re-unified Germany be provided against from the point of view of the West as well as the East.

7. In summarizing the discussion, Mr. Dulles noted that the Conference appeared in general agreement with the Three Power contention that the re-unification of Germany continues to be an essential concomitant of a European Security Treaty. Moreover, he noted that while there was a difference of opinion on the width of a possible "buffer" zone, most ministers appeared to support the general recommendations of the Standing Group concerning a controlled zone supplemented by some system of radar overlap. With respect to the proposals on European security, Mr. Dulles thanked the Conference for their helpful suggestions, and suggested that the Three Powers need not necessarily entitle their proposals "European Security Treaty". He also suggested that the time-phasing of the various articles of the Big Three proposals on security could be re-drafted in order to permit further discussion. Moreover, he agreed with Mr. Spaak that the Soviet Union should not be permitted to think that Germany could be neutralized, nor should a re-unified Germany be allowed to think that she would be free of all international safeguards against renewed aggression by her should she decide not to join NATO.

(b) *Membership*

8. Mr. Dulles' remarks, reported in my telegram under reference (paragraph 6), brought an immediate intervention on the part of Mr. Spaak. He said that he viewed with considerable alarm the fact that the Western Powers were contemplating leaving out from the proposed European Security Pact certain NATO countries. This, in his view, would prove to be a fatal blow to the concept of NATO solidarity, particularly at this time when NATO is

⁹⁴ Voir/See Document 537.

going through a delicate phase of its evolution. Spaak was strongly supported by Zorlu, who felt it would be wrong to let the Soviets have something to say about who, on the Western side, should or should not be a member of the proposed treaty. The Greek Foreign Minister not only thought that all NATO countries should underwrite the treaty, but that we should not exclude the possibility that Yugoslavia might become a member. He said that the security area should extend from the Baltic Sea to the Black Sea and include Hungary, Roumania and Bulgaria. The Portuguese Representative also favoured participation by all NATO countries. The Dutch, Norwegian and Danish Representatives took much the same line as we did, that the question of membership was slightly academic at this stage when the exact nature of the treaty and the geographical configuration of the security area were not yet fully known. They were satisfied if the principal Powers did not rule out *a priori* the possibility that all NATO countries may wish to underwrite the treaty. We made the additional point that an equation of NATO with the Warsaw Treaty Organization should be resisted. The Italian Foreign Minister, for his part, thought it important to maintain NATO solidarity and that all NATO countries should underwrite the proposed treaty even if this meant that all satellite countries were to become party to the treaty.

9. Mr. Dulles, in reply, said that the proposed treaty had a limited objective, e.g. providing the U.S.S.R. with guarantee against the possibility of attack by Germany. This objective could be achieved by security guarantees given by the Three Powers and Germany. In his view, it was not, strictly speaking, essential that the treaty should be underwritten by all NATO countries. If this were the case, it might lead to complications as the Soviets would probably insist that all the Warsaw Powers should also subscribe. He did not agree with the view that a limited participation would necessarily disrupt the Alliance. W.E.U., for example, left out some NATO members and this arrangement was considered acceptable. He also made the point that the United States was willing to pay a limited price for the reunification of Germany, but he was not sure that Congress would be receptive to the suggestion that all satellite countries should also be given guarantees under the proposed treaty. It was also a fact that in negotiating the treaty, the views of the other principal party had to be taken into account. He did not know at this stage what the Soviet attitude would be.

10. In conclusion, the Secretary of State said that this difficult question has been purposely left open. The Western Powers had done nothing to include or exclude the NATO countries from the proposed treaty as the matter, of course, was one for further consultation. Some NATO members, he knew, were not favourable to accession, while others favoured it. Obviously the matter will have to be discussed at a later stage in the light of developments in Geneva. Certainly the Western Powers could not go to Geneva prepared to commit any country except their own. Finally, he said that the word "agreed" in the preamble of the outline of terms of the proposed security treaty (see our telegram No. 1226 of to-day's date†) might appropriately be replaced by the word "determined". In any case, in the light of the discussion that had taken place, he assumed that the Western Powers would have greater latitude on the question of participation.

11. Mr. Macmillan made the point that in fact the proposed security treaty is ill-named. What it does is not to give any additional security to the West but it only gives supplementary guarantees against aggression to the U.S.S.R. Therefore, membership in the proposed treaty means no real advantage to the NATO countries, but merely additional burdens. If all NATO countries were prepared to assume these additional burdens, certainly the Western Powers would welcome such a development. But at least this could be said, that it was to our advantage that the participation on the Eastern side should not be too large and, perhaps, not go further than Czechoslovakia and Poland.

II. DISARMAMENT

12. Mr. Macmillan's briefing on the question of disarmament was couched in such general terms that it provoked little discussion. The Italian Foreign Minister insisted on the importance of global disarmament to supplement the European security system envisaged in the Western proposals. He took this opportunity to develop again his thesis that it should be possible for non-United Nations members to participate in the work of the U.N. sub-committee on disarmament, thereby recognizing the wider international implications of this problem. The accession of Italy to the sub-committee would not, of course, prejudice Italy's position regarding the question of her admission to the United Nations. On this point Mr. Martino said that the admission to the United Nations of any neutral state before the admission of Italy would be viewed with great concern by his Government. Mr. von Brentano said that in the Western proposals, the questions of German re-unification, security, and disarmament were indissolubly linked. In accordance with your instructions, we made a fairly lengthy statement on disarmament which was well received. Mr. Dulles, in particular, showed great interest in our suggestions.

III. EAST-WEST CONTACTS

13. On the question of East-West contacts, there was, on the whole, considerable unanimity of views. Our own statement perhaps dwelt slightly more than Mr. Pinay's statement on the risks involved in developing contacts with the East, but Mr. Bech, who devoted his remarks to this subject, took much the same line as we did. The Italian Foreign Minister, in line with previous proposals made by Italy in the Council, argued in favour of continued consultation between NATO members on their proposed initiatives in this field, as the policy followed by one NATO member inevitably has repercussions on public opinion of other NATO countries. He put the Western Powers on guard against creating false illusions about the détente in [?] up the importance of possible Soviet concessions in the field covered by Directive III. The Danish Foreign Minister showed special interest in the proposals regarding East-West trade. He said that the time had perhaps come for the West, in its own interests, to reconsider its position regarding commodity controls.

14. *In conclusion*, we can say that the conference was a marked success in our opinion, and in that of all to whom we spoke. Most of the latter contrasted the lively exchange of ideas on this occasion to the rather hurried and barren exchange of prepared statements which occurred in NATO prior to the "Summit" conference. The complaints expressed in the Council's private session with the working group on October 29 concerning the lack of consultation between the Three Powers and their NATO partners were not expressed in any marked degree on October 25 and indeed would have been inappropriate to the very useful discussion which took place. Even Mr. Spaak, who was expected to be very critical on this point, contented himself with a relatively mild reference to difficulty of forming an opinion on the Three Power memorandum in so short a time.

213.

DEA/50346-40

*Note du sous-secrétaire d'État aux Affaires extérieures
pour le secrétaire d'État aux Affaires extérieures*

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

SECRET

[Ottawa], November 29, 1955

GENEVA BALANCE SHEET

After three weeks of jockeying for position, the Geneva Conference of Foreign Ministers was unable to record a single point of agreement, except the decision to report "to their respective Heads of Government and to recommend that the future course of the discussions of the Foreign Ministers should be settled through diplomatic channels". Although Mr. Molotov cheerfully bid Mr. Dulles "Au revoir — until we meet again," it is clear from his subsequent statements that Mr. Dulles does not expect a resumption of Four Power talks for some time — perhaps not before the United States election.

2. Not only was there no decision as to when to meet again, no serious attempt was made even to arrive at a common statement of the areas of agreement and disagreement, although Mr. Molotov submitted a draft communiqué with this objective. In contrast to the Summit Conference, the Western Foreign Ministers appeared determined not to camouflage disagreement on major questions of substance with agreement on generalities or secondary matters. Their decision, largely on the initiative of Mr. Dulles, to set no time and place for a future meeting underscored their failure to translate the Summit directive into concrete agreements in any field.

3. Although by all accounts the Communist press, during and since the Conference, have tended to play down the failure of the Foreign Ministers, most of the non-Communist press, going beyond the lead given by the spokesman of Western delegations at Geneva, interpreted the Conference as not merely devaluing but virtually killing off the "spirit of Geneva". Some voices, Mr. Walter Lippmann's among them, have resisted this trend, pointing out that the real spirit of Geneva — the tacit acceptance on both sides of the necessity of avoiding a nuclear war — has not been damaged. A relaxation of tension was the obvious concomitant of an acceptance of the picture of "the two scorpions in a bottle each capable of stinging the other to death", as Dr. Oppenheimer put it. For the most part, however, the negative results of the Conference have been highlighted in order to dispel the totally unreal expectation after the Summit Conference that the "thaw" would suddenly make all the old issues soluble on Western terms — an illusion more likely to relax Western will than international tension.

4. It is important for the West to retain a proper perspective. Our position vis-à-vis the USSR is certainly no worse than it was last Spring. Austria and Porkkala, at any rate, have been liberated, and a process of more friendly relations started which is quite a new departure for the USSR. But if the Summit Conference meant that a deliberate recourse to war to solve the differences between the two blocs was ruled out, it did not mean a relaxation of our efforts, or those of the USSR to advance by other means what each side considered its national interests, and these other means include diplomacy. Since neither side is in a position to exercise threats or issue ultimata, this means at some stage further negotiation.

5. In any event, one illusion fairly common in the United States and Germany has been shattered by Geneva. The USSR does not need a relaxation of tension enough to pay a big price for it. This, you will recall, was our major difference of opinion with the State

Department in assessing the Summit Conference.⁹⁵ Indeed it is now more obvious than it was after the Summit Conference that the USSR has calculated that by creating the general impression of *détente* between east and west the unity and determination of the Western powers would be more quickly and vitally affected than the internal lines of the Soviet alliance, which do not depend on widespread support. For this reason the United States Government evidently concluded that there was something to be said for denying the Soviet Union the benefits of a *détente* unless they were prepared to pay for it in terms of concrete agreements on major subjects. The danger of this policy is, of course, that if agreement cannot be reached on major subjects the two principal protagonists will give up the attempt to negotiate on anything. And in these circumstances they might not sufficiently remember their human situation as two estranged families forced by circumstances of the nuclear age to live under one roof.

6. It will take many months before an objective evaluation of the results of the two Geneva Conferences can be made. They will have their effect on the forthcoming elections not only in France but in the United States and still more directly in Germany. Much will depend on how the Conferences are evaluated by Western peoples and governments and by the Soviet Government. But the most important area of action directly affected by the Geneva Conference will undoubtedly be Germany.

7. In the attached papers on Germany and European Security, Disarmament and East-West contacts, we have attempted to draw out some of the implications of the Geneva Conference of Foreign Ministers. You may find these papers of some value in considering what you wish to say in the Ministerial meeting of the NATO Council in Paris next month, under the item reviewing the current international situation.

J. L[ÉGER]

[PIÈCE JOINTE 1/ENCLOSURE 1]

Note

Memorandum

SECRET

Ottawa, November 29, 1955

THE GENEVA CONFERENCE OF FOREIGN MINISTERS
AGENDA ITEM I: EUROPEAN SECURITY AND GERMANY

First and foremost, both Geneva Conferences, and particularly the Conference of Foreign Ministers, were about Germany. (A departmental memorandum of November 14† analysing the Foreign Ministers' discussions on European Security and Germany is attached). In the failure of the Foreign Ministers Conference many observers have seen the beginnings of a major international crisis over the future of Germany. The Western Foreign Ministers successfully exposed the Soviet position as a refusal as much for political as for strategic reasons to permit the Germans to have a free choice either of their future alliances or (at least as far as East Germany is concerned) of their social and economic systems. In this sense the Western Foreign Ministers may be said to have won the debating battle at Geneva; but it is arguable that in the long run they may have lost more than they gained in Germany for the following reasons:

⁹⁵ Voir/See Document 530.

(a) The Western Powers and Chancellor Adenauer's Government sold the Paris Agreements to the German people as the basis that the way towards the reunification of Germany was the creation of a position of strength in which the Federal Republic formed a part of the Western Alliance. Having achieved that position — at least relatively, whether we look ahead or behind — the West has been unable to induce the Soviet Union to budge on reunification even in exchange for security offers which, although far from precise, were unprecedented in terms of United States peacetime policy.

(b) The USSR alone has it in its power to agree to the reunification of the Federal Republic and the Democratic Republic, and to satisfy German aspirations for the "lost territories" east of the Oder-Neisse.

(c) German business interests having approached the limits of their Western markets for industrial production, are open to the idea of expanding new interests in Eastern Germany, Eastern Europe, the USSR and China. The Soviet Union holds the key to this trade.

(d) The East Germans have now been set up with all the trappings of authority to renew pressure upon West Berlin at any time.

(e) The Germans — and the Russians — realize that free all-German elections, if held today, would sweep away the Communist régime of Eastern Germany and all its "social and economic achievements", which Mr. Molotov fought so hard to preserve. But they are not so sure what would happen in a few years time when the "achievements" of the Communist régime, their hold on the minds of youth, and their industrial and agrarian policies, would be extremely difficult to undo. German opinion is therefore becoming more insistent upon the urgency of reunification before both Germanys become in fact, as well as in politics, separate states.

(f) Reunification on Soviet terms would bring release from the obligations of the Paris Agreements which would not be unwelcome to a large section of German opinion, if we are to judge by their very half-hearted and lethargic reactions to military measures and to the call for volunteers. In recent weeks the Chancellor has reopened his efforts to get rearmament under way. It is doubtful, however, that the impact of the Geneva Conference has made opinion in the Federal Republic more willing to accept the necessity for rearmament; for this is plainly not the road to reunification.

2. When, a month after Germany's accession to NATO, the USSR invited Chancellor Adenauer to come to Moscow, his entourage did not conceal their sense of triumph. They changed their tune when they came back from Moscow; for the walls had not fallen when the Chancellor had blown his trumpet. With the establishment of diplomatic relations early in the New Year, the attractions of the Soviet *Lorelei* will be all the more apparent to German public opinion because of the failure of the Foreign Ministers Conference, even though thinking opinion will appreciate where the blame rests. It is no doubt on this hypothesis that the Soviet Union felt free to express their position in such blunt terms at Geneva. While the Germans themselves were freely discussing, in the light of the Chancellor's serious illness, who might succeed him, the Russians felt they could afford to wait. For, in Germany at any rate, time could scarcely worsen their position.

3. With the reopening of the "wire to Moscow" and with the apparent dead end on German reunification reached by the Foreign Ministers at Geneva, the Government of the Federal Republic now faces a period of acute and probably increasing difficulty. Judging by the immediate impact of Geneva on the West German press, it would be a mistake to exaggerate the seriousness of the problem. There are disagreements as to whether the Government should talk to the Soviets about possible neutrality terms (as the SPD advocate), or to the East Germans about trade (as the FDP suggest), or to neither (as the Chancellor

intends). But in the short run German opinion credits the Western Ministers with doing the best they could in the face of impossible Soviet demands. German opinion is thoroughly anti-communist and alive to the dangers of buying reunification on terms which would leave the whole of Germany wide open to penetration by a trained communist minority from the eastern zone. In the long run, however, it is difficult to see how Germany's alignment with the West is to be preserved and cemented when the USSR controls so many of the levers capable of applying pressure to German public opinion. If Chancellor Adenauer felt himself unable to refuse a Soviet Ambassador in Bonn in exchange for some 9,000 German prisoners, how long will it be possible for his successor to maintain the Western connection with some 18,000,000 Germans in the balance on the other side?

4. If this picture of the situation in Germany is even approximately correct, it is high time that Western policy towards Germany be re-examined in the light of Soviet policy. It may be that there are no possible alternatives for Western (and German) policy. We do not know the answer. But we can see no reason for Western complacency in the belief that at Geneva the Soviet was successfully "exposed". Indeed, it is difficult on the basis of the Geneva record to criticize the Western Foreign Ministers — and the Germans — for the basic position they adopted on Germany and European Security. All NATO countries were agreed on the necessity for avoiding any action on European Security before Germany had been reunified and had acceded to NATO. All acknowledged that the artificial and wishful content of the "German spirit" after the Summit meeting must not be allowed to damage Western cohesion and determination.

5. In this outlook Chancellor Adenauer found himself in complete agreement with Mr. Dulles. As we understand it, it was in deference to the German and United States points of view that the French and United Kingdom Governments agreed to retreat slightly from the Eden proposals advanced at the Summit by:

(a) Withdrawing the proposal for creating on either side of the East-West line in Germany, before reunification, a zone of reciprocal inspection (though his proposal stands before the U.N. Disarmament Sub-Committee);

(b) Moving any eventual zone of inspection and limitation of forces eastwards to the area on either side of the East German-Polish boundary which would become the eastern boundary of a united Germany;

(c) Resisting also any suggestion from the Western side of a possible "fallback" position (discussed in the Foreign Office) whereby all-German elections might be prepared by some kind of Council representing both German Governments (instead of merely technical German experts assisting the Four Powers).

6. Despite these somewhat marginal issues on which the United Kingdom and French Governments might have been prepared to go somewhat further than the United States and German Governments towards opening up the negotiating position of the West on German reunification, there was, so far as we know, no disposition whatever, among any of the Four Powers chiefly concerned to reconsider Germany's defence obligations under the Paris Agreements. It was never suggested — even for the purpose of having it turned down by the Soviet delegations — that the West might agree to the neutrality of a reunified Germany, which could be rearmed only within limits set by the Four Powers. In his closing statement at Geneva, Mr. Dulles did say that the Conference had shown him that the USSR was not prepared to agree to German reunification through free elections even if the Federal Republic abandoned its membership in NATO and the Western European Union. However, this is the closest that any of the Western Foreign Ministers came to calling Mr. Molotov's bluff — if it was a bluff — by offering to consider some kind of neutralization

for a unified Germany if it elected to remain outside of their alliance. Had the Western Ministers made the offer, Mr. Molotov's purely political objection to any "mechanical merger" detrimental to the Communist system in Eastern Germany would have stood out like the sorry farce it is.

7. As it was, during the first phase of the Foreign Ministers Conference, the Western Ministers were quite widely criticized in the Western press for taking a position on Germany and European Security which, it was said, the Soviet Union would not and could not accept. Thus the Manchester Guardian wrote that the Western security proposals

"were supposed to reassure Russia against the chance of attack by a rearmed Germany, yet they contained only an empty promise to take appropriate action and to seek help through the United Nations in the event of aggression. They jettisoned Sir Anthony Eden's former proposal for a demilitarized zone in Europe; instead, the Russians were asked in effect to leave Eastern Germany and much of Poland while our troops were to stay where they are".

8. Mr. Molotov's calculated misrepresentation of the Western European security proposals would have had less effect on Western opinion if the Western proposals had been presented (as suggested in the Canadian interim paper† last July) in the terms of the three alternatives open to the Germans, instead of elaborating only on the guarantees offered if Germany as a whole joined NATO. In his conversations with the Minister in the Crimea, Mr. Khrushchev was also able to pretend that Western proposals offered Germany no choice, but amounted to a demand for reunified Germany's inclusion in NATO.

9. Be that as it may, by the end of the Conference even the German Socialists were forced to admit that there was much more flexibility and objective reasonableness in the Western proposals than in anything that Mr. Molotov had been prepared to offer. Indeed, the Soviet position had hardened to such an extent that there was clearly little point in tinkering with the details of Western Security proposals or even with the details of the Eden Plan, when such a gulf separated the positions of the two sides, and when Mr. Molotov's aloof attitude even outside the Conference room convinced participants he was not interested in reaching any kind of agreement.

10. Although Mr. Molotov did not subscribe to every detail of the East German statement of prerequisites to all-German elections and the objectives for a reunified German state, he did table the East German declaration as a conference document demanding that the East and West Germans should themselves reach agreement before free elections were held as to how East Germany's nationalized industries and banks, and her agrarian reforms, should be preserved after reunification. The whole tenor of East German statements in recent weeks has been much more aggressive and self-confident. They have been making demands upon the West Germans instead of wooing them. And they seemed, in their demands, to have been pushing the Soviet Delegation into taking a somewhat more rigid position that it has adopted in the past when individual preconditions regarding the preservation of East Germany "achievements" have not figured prominently.

11. For some time to come we can assume the competitive co-existence of two Germanys. During the past ten months the Soviet Union has shown a remarkable capacity for reversing itself on important matters of foreign policy. We can probably assume that when they judge the time to be right, the Soviet Union might be willing to settle for the reunification of Germany through some kind of free elections provided that:

- (a) There is Four Power agreement on a European Security Treaty;
- (b) Germany is neutralized;
- (c) German armament and armed forces are limited and controlled;

(d) Non-German forces are withdrawn;

(e) The social and economic "achievements" of the Eastern Zone are safeguarded.

12. From the point of view of NATO, these terms are probably not negotiable. But since they may in the long run appeal to a very large number of Germans, once the hand of Chancellor Adenauer is no longer at the helm, the Western Powers and in particular the NATO Powers will have to examine these terms and consider what attitude they must adopt towards them, when the time comes. If they must be rejected in order to preserve a NATO forward strategy, other than military means should, in our opinion, be sought without delay to cement the Federal Republic more firmly into the Western alliance. The new brand of competitive co-existence implies that the West must be prepared to compete in political and economic as well as in military terms; and no where will the lines be drawn more sharply — or more critically — than in Germany.

13. Chancellor Adenauer and some of his leading advisers think the answer may be found in the much more active development of Western European Union, or of "little Europe" (without the United Kingdom) composed of the six countries willing to move towards a federal structure in terms of economic and foreign policy as well as defence. Given once again some positive aspiration to work for, the German people may, their leaders think, find solace in German leadership of a Western continental federation to counter-balance their disappointment and frustrated sense of nationalism over the failure of the Western Powers to secure the reunification of their country. This is a familiar thesis which we have analysed in previous papers and it is logical to find German leaders turning once again in the direction of a Federal solution such as had been the ultimate objective of the unsuccessful movement for a European Defence Community.

14. What is new is to find not only the CDU but the Socialist opposition in Germany advocating federal solutions based on the tacit assumption that reunification is probably not attainable. The SPD leader, Herr Ollenhauer, recently decided to support Monsieur Jean Monnet's Political Action Committee for a United States of Europe. Nor is the new sense of urgency to "relaunch Europe" confined to Germans. Mr. Spaak's dynamism has for the past six months been directed toward the implementation of the Messina Resolution of last June. As Chairman of the Messina Steering Committee, he will shortly be reporting to his colleagues the detailed recommendations of his technical committee studying such questions as the establishment of a common market for Western Europe and of common facilities for atomic research and development. Within the past week the Italian Ambassador in Ottawa has once again impressed upon us his Government's great interest in moving towards federal institutions for the Messina countries, within the framework of the necessarily looser Atlantic Alliance.

15. If imaginative and far reaching solutions along supranational lines should once again come within the realm of practical politics in Western Europe, it is of the greatest importance that they should be freely discussed and jointly evaluated in the NATO Council. The failure of EDC showed the difficulty of approaching such questions primarily from the military point of view — particularly when the United States, which so strongly advocated this solution, was not itself prepared to take part in the proposed structure. The appeal of the "European" idea is still very much alive — and not only in Western and Central Europe, but we may safely assume, in Eastern Europe as well. At the same time, in the light of our experience with EDC, it would certainly be unrealistic to assume that whatever French Government emerges from the next election, anything more than the first small steps towards closer integration of the Western continental members of the Atlantic Alliance will be possible in the foreseeable future. But that possibility has been created — as

was the situation that made possible the birth of NATO — by the political consequences of Soviet policy in Europe.

16. At the NATO Ministerial Council next month, we may expect some discussion — how “full and frank” it will be I do not know — of these questions which are of such direct concern to Herr von Brentano, Mr. Spaak and Mr. Martino. Although the Germans at past Councils have tended to tell their NATO colleagues what they thought would please and reassure, the future of the German policy of the NATO alliance must rest primarily upon the Germans themselves. It will be interesting to hear what they have to say, both in public and in private, as to the alternative lines of policy that are politically possible for them.

17. If the German Government decides to push the economic and political integration of the Messina Six, it will be for the other members of the alliance to consider where the balance of advantage lies, for NATO collectively and for each member individually. In each member’s judgement there will be elements of political and economic policy which may be difficult to reconcile.

18. The political starting point for such a discussion, it seems to us, is the situation now facing Germany, and what German leaders have to say about it.

[PIÈCE JOINTE 2/ENCLOSURE 2]

Note

Memorandum

CONFIDENTIAL

[Ottawa], November 23, 1955

THE GENEVA CONFERENCE
AGENDA ITEM II: DISARMAMENT

When viewed against the background of the talks at the summit, the disarmament discussions of the Foreign Ministers may be generally regarded as an anticlimax. Last summer a fair amount of attention was devoted to disarmament in opening statements, and within the short time available, each of the Western Powers submitted significant proposals among which the Eisenhower plan did so much to develop the concept of a warning system which is now at the forefront of disarmament negotiations. This time none of the Western Powers submitted new proposals and the only contribution made by the Soviet Union took the form of a suggestion embodied in their draft declaration of disarmament that the Four Powers should renounce the use of force.

2. The lack of initiative on the part of the Western Powers was due to the fact that they are now re-examining their disarmament policies. For this reason, they sought to avoid as far as possible being drawn into discussions of substance which would lay bare their divergencies and place them in a vulnerable position. In one respect, however, they were able to move a step forward when Dulles announced that the United States would be prepared “to negotiate both with other sovereign states involved and with the Soviet Union, for the appropriate extension on a reciprocal, equitable basis of the Eisenhower proposal and the Bulganin control posts to overseas bases and to the forces of other countries”. Stassen had persistently refused to budge on the question of extending the Eisenhower plan to cover bases abroad during the Sub-committee discussions. The modification of the United States position on this point is an encouraging development. The re-affirmation of the United States’ acceptance of the Bulganin proposals announced in President Eisenhower’s reply to Bulganin and the extension of their application to bases abroad should, indeed, be welcomed.

3. The United States' advances did not bring about any fundamental change in the Soviet position on the Eisenhower plan. Molotov followed closely the line taken in Bulganin's letter to President Eisenhower, his main argument against Soviet acceptance being that the President's plan would not help to reduce armaments and would not diminish the danger of an atomic war. Molotov was careful, however, not to reject the plan which he said "could be treated in a different manner if the measures it provides for were viewed in an indissoluble connection" with a general disarmament programme including the prohibition of nuclear weapons. However, the Soviet statement represented a slight advance from their previous position on the question of aerial photography. Molotov indicated that the Soviet Union would be prepared to regard this proposal favourably as one form of control "at the concluding stage of the implementation of measures for the reduction of armaments and the prohibition of atomic weapons".

4. On other aspects of disarmament, the Soviet position was fundamentally the same as that taken in the Sub-committee and in Bulganin's letter. With one exception, the Soviet proposals submitted to the Conference were identical to those tabled on July 21st. They call for the discontinuance of nuclear tests, provide that the use of nuclear weapons in defence against aggression should be authorized by the Security Council and include a solemn pledge by the Four Powers that they should not be the first to use nuclear weapons. At least three times during the Conference Molotov argued in favour of a moral and political condemnation of the use of atomic weapons comparable to the 1925 Protocol outlawing gas warfare. It should be noted also that Molotov expressed interest in the Eden plan for a zone of inspection on either side of the line now dividing the East and the West in which a limitation of armaments might come into force. This plan, which was repeated in less specific terms in the Disarmament Sub-committee, has now been apparently abandoned by the British who did not table it at this Conference.

5. The Soviet proposals of November 10 differed from those of last summer in that they suggested as the next step in disarmament negotiations the examination of the various proposals aiming at the establishment of a warning system i.e. the Eisenhower plan, the Bulganin proposals for control posts, the French proposal for budgetary controls and the Eden plan. The original declaration on disarmament drawn up by the Western Powers ended with a similar recommendation. Developments in the Sub-committee have pointed to the desirability of negotiations being pursued along these lines and, from the point of view of disarmament, it is regrettable that an earnest effort has not apparently been made by the West to come to an agreed decision of the Conference on this subject, particularly since there were many similarities between the Soviet and Western drafts. As it stands now, the final Western draft, which was published but not tabled, suggested that "the Ministers will transmit the records of the Geneva discussions to their representatives on the Sub-committee". The draft tabled by the Soviet did not mention the Sub-committee and suggested that "the Four Powers together with other states concerned, exert their efforts to work out an acceptable system of disarmament".

6. Although the Ministers' discussions did not produce positive results in the form of agreed decisions, the Conference should not be regarded as a step backward in the search for East-West agreement on disarmament. The Soviet Union maintained its more flexible attitude in this matter which became apparent more than a year ago, while the United States made significant concessions on the subject of the Eisenhower-Bulganin proposals. Most of all, although their meeting of minds on this subject was not formalized, both sides seem agreed that the next immediate step in East-West negotiations should consist in the consideration of the proposals put forward by each of the Big Four aiming at the establishment of a warning system which might provide the gateway to a general programme and

which would, in any case, greatly help in bringing about the climate of mutual trust required for agreement on this programme. As indicated once again during the Conference, such agreement is unlikely to be reached before substantial progress is achieved on the problems of Germany and European security.

[PIÈCE JOINTE 3/ENCLOSURE 3]

Note

Memorandum

SECRET

Ottawa, November 29, 1955

GENEVA MEETING OF FOREIGN MINISTERS
AGENDA ITEM III: EAST-WEST CONTACTS

1. Item III of the Foreign Ministers' Conference devoted to East-West contacts was based on the following directive of the four heads of government meeting in Geneva in July:

"The Foreign Ministers should, by means of experts, study measures including those possible in organizations and agencies of the United Nations which could,

(a) bring about a progressive elimination of barriers which interfere with free communications and peaceful trade between peoples and,

(b) bring about such free contacts and exchanges as are to the mutual advantage of the countries and peoples concerned."

2. At the first meeting devoted to Item III it became almost immediately apparent that there was a very marked difference of approach between the Soviet and Western delegations. Mr. Molotov concentrated on alleged discrimination in trade and navigation and on the desirability of more exchanges in the scientific and technical fields. He implied strongly that the abolition of discriminatory measures in trade was a pre-condition for progress under Item III. As he and his delegation developed their arguments, it became apparent that by most favoured nation treatment they meant primarily the abolition of Western strategic controls. When they spoke of the "unhindered passage of merchant ships through canals and straits of international importance" their concern was mainly with interference with merchant vessels in the China Seas — though the general principle might be applied to Soviet ships in the Great Lakes. And when they spoke of the exchanges of technical and scientific knowledge their chief interest was in international conferences of specialists rather than less formal and more personal contact. Mr. Pinay, Mr. Dulles and Mr. Macmillan emphasized the prior importance of freedom for exchanges of ideas and persons. Specifically, they spoke of the opening of information centers; exchanges of books, periodicals, newspapers and films; greater freedom for foreign press correspondents; censorship and jamming; the rouble exchange rate and its effect on exchange of persons; and direct international air links with Moscow.

3. The committee of experts on East-West contacts was divided into a working group on trade and a working group on other contacts. In the experts' committee and in the working groups the same difference of approach was apparent. Attached to this memorandum are the texts of the Western proposals and the U.S.S.R. proposals on Item III (telegram No. 1268 of November 7 from NATO Delegation, Paris†).⁹⁶ A cursory comparison would suggest a large measure of common ground. But when it came to detailed discussions of these

⁹⁶ Voir/See *Documents on International Affairs, 1955*, pp. 60-69.

two sets of proposals the Russian delegates either avoided the points on which they are sensitive to criticism by saying that they were the internal affairs of the Soviet Union; or else stated that they should be the subject of bilateral discussions between countries.

4. In the final sessions, when the reports of the experts came back to the Foreign Ministers Mr. Molotov became quite blunt. Rejecting the bulk of the suggestions on exchange of ideas as interfering with the internal affairs of the Soviet Union. Mr. Molotov said that his country would not grant freedom for warmongering ideas or for subversive activities. On no account would he agree to the opening of information centers in the Soviet Union (this despite the fact that the Soviet member of the experts committee had called this a matter for bilateral negotiation) as he would not agree to this form of "Western espionage." Mr. Dulles pointed out that all proposals on East-West contacts involved the internal jurisdiction of the Four Powers but that the Western powers were nevertheless ready to discuss the subject. Out of 17 items in the Western proposals the Soviet Union had in effect rejected 12 and would only discuss the others bilaterally. The Soviet delegation had picked only those points which served their interests, such as group visits to acquire technical information. In conclusion, Mr. Macmillan said that the fundamental difference was that the West wanted the free movement of ideas and people and the Soviet Union wanted to limit and control both. With a final dig at Mr. Molotov, Mr. Dulles said that he had thought that the foundations of socialism in the Soviet Union were firm enough not to be toppled by a few adverse ideas.

5. In effect, the Russians rejected out of hand the Western statements on censorship; jamming; the rouble rate; information centers; direct air links; restrictions on foreign journalists; exchange and unimpeded public sale of books, periodicals, and newspapers; and exchange of broadcasts. They said that bilateral negotiations should be applied to the restrictions on diplomatic missions; exchange of films; official Western periodicals to be published in Russian in Moscow; and exchange of students. They maintained that the situation was satisfactory for the exchange of government publications; and for cultural and sporting exchanges. In fact, even on those points where the Western and Soviet proposals overlapped (exchanges of films and exhibitions; exchanges of persons in the professional, cultural and technical fields) the Soviet delegation refused to discuss the various Soviet practices which constitute obstacles to the exchange in question. The difficulty was not that there were not, on paper, points in common, but that the difference in approach was such as to make even the apparently common points mean different things to the two sides.

6. The tactics adopted by Mr. Molotov and his delegation with respect to East-West contacts suggest strongly that the Soviet Union did not want to move any further in this direction at the present time. From their point of view our strategic controls are a good stick with which to beat us, but they must have known that we were not prepared to negotiate on them. As Mr. Dulles said, the controls are the result, not the cause, of lack of confidence. By setting as a pre-condition for further progress the abolition of strategic controls the Russians were in effect rejecting any further progress.

7. It is important to try to estimate the reasons for this Soviet retreat from the suggestions on East-West contacts made at the July meeting of Heads of Government, since Molotov could, if he had wished, probably have confused the issue by making concessions on some of the parts of Item III. It may be that the Soviet leaders became alarmed and perhaps even surprised, at the speed, enthusiasm and detail with which the Western Powers had taken up the matter of East-West contacts. What the Soviet Union really wanted was a few more scientific and technical conferences which had high propaganda value; the opportunity for delegations of Soviet specialists to pick up scientific and technical know-how in the West; and a modest opening of the Soviet Union to distinguished visitors and to groups of tour-

ists who could be kept pretty well under control. They were certainly not prepared to allow an influx of Western ideas and Western visitors which would seriously undermine their control of the information on the West available to the mass of the Soviet population.

8. It is perhaps an arguable proposition that, had the West been willing to make some concessions on strategic controls, the Soviet Union might have been willing to make some concessions on East-West contacts. The Soviet Union may have anticipated an adamant refusal to discuss strategic controls, or it may have thought that there was some room for negotiation. All the evidence suggests that, for a variety of reasons — economic, political and espionage — the Russians are anxious to promote trade with the West, and they might have been willing to open up the Soviet Union to Western ideas and persons, more than they have to date, in return for concessions on strategic controls. It is another question whether the West *should* have made concessions on strategic controls *had* it been offered Soviet concessions on the free flow of persons and ideas.

9. This leads directly to a discussion of Western tactics in putting forward at Geneva a series of proposals which constituted a full-scale attack upon the isolation of the Soviet mind, while retaining trade controls intact. The Western leaders must have known that the Soviet Union was not prepared to take East-West contacts to this logical conclusion. There are three possible explanations. The first is that the extreme Western position was presented for bargaining purposes, and that the Western powers would have been prepared to reach a compromise on it. The second is that the proposals were put forward in a form known to be unacceptable to the Russians with the hope and expectation that they would be rejected and therefore facilitate a return to the pre-Geneva I position.

10. The third explanation is that, even though the Western powers knew that the Soviet Union could not accept the whole series of proposals which was put forward by the West, it was probably well for Western and world opinion to make a clear and a strong statement as to what East-West contacts really implied. If the Soviet Union rejected the proposals, most of which people in the non-Soviet world would consider legitimate contacts, then responsibility for lack of progress could be clearly assigned. This kind of point scoring may sound rather niggling but it is important not only for the sake of those people in the West who were perhaps slightly bemused by the "Spirit of Geneva", the exploitation of which was profiting the USSR more than the West, but even more so for those in the uncommitted countries who watch closely for examples of good and bad faith on the part of the Soviet Union and the Western powers. In any event, it was better to state differences frankly than to gloss over them and give the outward appearance of agreement in principle.

11. It looks as if the Russians hoped at Geneva to present an agreed report on a few innocuous principles of East-West contacts and to avoid coming to grips with any details on the subject. They are not prepared to allow a free exchange of persons and ideas but only a very limited exchange in fields where it is of direct advantage to the U.S.S.R. It seems likely, however, that the U.S.S.R. will not permit the set-back at Geneva to interfere with its policy of trying to maintain the appearances of more normal relations with non-Soviet countries, and will continue to give the appearances of greater liberality in this field, precisely to overcome the effects of the foreign ministers' conference.

12. If the Soviet Union is not interested in anything but a small number of exchanges in limited fields, that at least is an improvement over the Stalinist period. Even a limited contact between the Soviet people and the people of the West could, in certain circumstances, have some long-term beneficial influence on the Soviet view of the Western world, provided the Western powers are able to seize some initiative in developing East-West contacts. As for those fields in which the Soviet Union is prepared to exchange ideas

and information it is up to the West not only to insist on strict reciprocity but also to take concrete steps so that the advantage does not lie solely with the Soviet Union. It is also necessary that the West seize the initiative in proposing exchanges so that it will not be, as it were, on the defensive at all times — as is the case now.

13. Geneva did not accomplish, as we knew or should have known it would not accomplish, a comprehensive agreement on East-West contacts. It did show us what fields of contact cannot even be considered for the time being and it would therefore seem sensible to avoid the obviously touchy questions such as radio jamming and information centers in Moscow. Nevertheless, we should not limit ourselves to exploring only those fields which the Soviets have indicated by implication are satisfactory to them. We should attempt to arrange visits to the U.S.S.R. by people working in fields of primary interest to us, even though some of these may prove to be unacceptable to the U.S.S.R. In spite of the limited success we may have, we should make it clear that contact between East and West is still, because of Soviet policy, a very limited sort of contact.

214.

DEA/50346-40

*Note du sous-secrétaire d'État aux Affaires extérieures
pour le secrétaire d'État aux Affaires extérieures*

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

CONFIDENTIAL

[Ottawa], November 29, 1955

AFTER GENEVA

1. In a separate paper ("Geneva Balance Sheet" — memorandum of November 29) we have attempted to sum up what seemed to be the main conclusions to be drawn from the Geneva Conference of Foreign Ministers under the three headings which formed their agenda — European Security and Germany, Disarmament, East-West Contacts. In this paper I should like to make some more general, though still tentative, observations on some of the developments which may follow the Conference, and which may also be discussed at the forthcoming Ministerial Meeting of the NATO Council.

2. In the first place it seems probable that there will be no more Four Power Talks for sometime. Yet both sides have declared — and I believe sincerely — that, in spite of the Geneva deadlock, negotiations are not at an end. In his speech to the Indian Parliament on November 21, Mr. Khrushchev attributed the failure of the Conference to its "extremely complicated tasks" and to the fact that "the spirit of Geneva causes indigestion to certain persons".⁹⁷ He added, however, that he thought international problems would be settled if the Great Powers continued along the road outlined at the Summit Conference. Although Mr. Macmillan and Mr. Pinay were more explicit, Mr. Dulles has also implied, in his public report on his return to the United States, that negotiations are not at an end.⁹⁸

3. If negotiations are to continue without benefit of Four Power Conferences, they will presumably be conducted through normal diplomatic channels and through such bilateral

⁹⁷ Voir/See Union of Soviet Socialist Republics, *Speeches by N.A. Bulganin and N.S. Khrushchev in Burma, India and Afghanistan November-December 1955*, Ottawa: Press Office of the USSR Embassy, 1956, pp. 31-40.

⁹⁸ Voir/See United States, Department of State, *Bulletin*, Volume XXXIII, No. 857, November 28, 1955, pp. 867-872.

visits as that of Premier Bulganin and Mr. Khrushchev to London next Spring. Despite criticisms of the visit — and the Indian tour is not a good augury — reports from London indicate that the United Kingdom government is now attaching a good deal more importance to the Soviet leaders' visit because of the breakdown in the Four Power talks. This may partly account for Prime Minister Eden's interest in arranging a visit to President Eisenhower during the winter.

4. Indeed, bilateral diplomacy, if that is to be the new pattern among the Great Powers, will have many advantages despite the greater opportunities afforded to the Soviet leaders for dealing directly with the Germans and for exploiting Western differences by talking to Western leaders one at a time. However, the advantages of much greater privacy which such talks will afford will be a welcome change from the high pressure publicity of the Geneva Conferences where it was apparently impossible for anyone to put forward an idea without being publicly stuck with it. For this reason the Four Power Conferences were bound to degenerate into justifications of opposed positions as soon as the debate descended from the generalities of the Summit to the market place of detailed negotiations. There diplomacy very soon became frozen, as at the United Nations, and for the same reasons.

5. Apart from the hazards of Western disunity which in the circumstances should not be exaggerated, the main obstacles under which bilateral diplomacy will have to operate are the following:

(a) Soviet goodwill tours between capitals may be played up in Eastern Europe and in Western countries with strong Communist parties as "making the Communists more respectable", to their obvious advantage.

(b) Since the United States is unlikely to engage in bilateral diplomacy of this kind, at least until after next year's elections, the opportunities afforded by more private talks with Soviet leaders are unlikely to be productive because it is the United States which must decide on the concessions necessary to force the Soviet leaders to make real concessions; any greater flexibility shown by United Kingdom and French statesmen is more likely to be regarded by Soviet leaders simply as weakness.

(c) As pointed out in our previous paper, Germany is particularly vulnerable to bilateral negotiations despite Chancellor Adenauer's present determination not to be drawn into them either by the U.S.S.R. or by their East German puppets.

6. Nevertheless, on balance it seems to us that if a minimum of confidence is to be maintained between the Great Powers in order to consolidate the determination of both sides not to risk nuclear war, it will be necessary for those western countries which feel in a position to do so, to agree to exchange visits with Soviet leaders and to keep open the door for real negotiations at such time as both sides are more ready for them. At the Four Power talks it became clear that for the West it was probably disadvantageous to conclude much publicized minor agreements while major issues such as German reunification could not be resolved. But in bilateral diplomacy it should prove much easier to reach agreement on relatively minor points without the risk of nourishing dangerous illusions in Western public opinion and facing a relaxation, as the *London Times* has said, not of international tensions but of Western will.

7. This is a serious dilemma both for the Western Powers and presumably for the Soviet Union which may also have had problems within its alliance because of the summer "thaw". For if the major problem is avoiding nuclear war and maintaining Western security is the reduction of tension through the gradual settlement of conflicting national interests and the growth of confidence between East and West, it would be tragic if even the minor

agreements that now may be possible were continually to be spurned for fear of encouraging wishful thinking. For years Western leaders have been advocating a "step by step" approach to East-West negotiations; and if bilateral diplomacy, either through visits or by means of conventional diplomatic intercourse, makes it possible to take the smaller steps first, it would be wrong to block it. At the same time there is no present evidence that the U.S.S.R. genuinely desires to negotiate seriously on political questions, even minor ones.

8. So much for the methods of post Geneva diplomacy. As to the fields of negotiation, it seems probably the Soviet Union may now wish to let purely European questions simmer for some months. They have said repeatedly in recent weeks that the time is not ripe for a solution to the German question. There is nothing in the evidence of the Geneva Conference to indicate that by tinkering with Western security proposals they might safely be adjusted enough to induce the U.S.S.R. to agree to permit the Germans to choose unification within NATO.

9. As for disarmament, much will depend on the conclusions to be reached by the United States National Security Council and by the President in their current review of United States disarmament policies. During this ten month soul searching, the Western position on disarmament has been uncertain, equivocal and, from a propaganda point of view, deplorable. The failure of the Foreign Ministers at Geneva to agree on Germany and European Security gave the Western Foreign Ministers a much needed excuse to gloss over the disarmament item on which they felt themselves to be on thin ice. Negotiations will in any case continue in the Disarmament Sub-Committee of the United Nations so that there is no special need here, either for resumption of Four Powers Talks or for some other means of continuing to probe the possibilities of agreement, dim though they seem to be.

10. The development of East-West contacts offers us perhaps the most fruitful field for practical bilateral negotiations not only among the Big Four but between the Soviet Union and other Western countries. The U.S.S.R. clearly desire, chiefly for political reasons, to develop their trade with Western countries. It may also be possible to work out a pattern of reciprocal exchanges of visits and ideas in a way which will on the whole foster Western interests and lower some portions of the Iron Curtain. It was in this field that minor agreements might have been reached in Geneva, not merely on general objectives (as was perhaps possible on disarmament) but on detailed practical proposals. The opportunity for consolidating such agreements on a selective basis while the U.S.S.R. is still in a mood to offer them should not be missed. This means, however, that further contacts should be developed in a way which will clearly advance Western — and not just Russian interests.

11. Bilateral diplomacy will also permit some Western statesmen to discuss such subjects as the Middle East and the Far East which were "untouchable" at Geneva in a Four Power context. If these are to be the areas of greatest Soviet activity in coming months, there may also be openings for adjustments of interest acceptable to both sides in terms of the power politics the Soviet leaders now seem determined to play.

12. It seems likely that on both sides the next few months may be a period of cautious re-assessment of the "new" relations between the two blocs. On the Soviet side there must certainly be some questioning of the adequacy of the new tactics and uncertainty about the distance that should be travelled in the direction of a *détente*. The solidarity of the West must have surprised the Russians at Geneva. But incipient intra-western quarrels must also give them hope that even in a relatively static period the divisive tendencies in the Western alliance might take firmer shape.

13. On our side, what is primarily required is a tightening of the political alliance in order to prevent too great a slackening of the military effort. With this must come a more

realistic appraisal of the best ways to meet the Soviet tactics of this interim period. If the Russians decide simply to be reasonably pleasant, but unco-operative, in Europe, it may be as difficult to maintain the picture of an immediate Soviet threat as it was in the full "thaw" at the Summit Conference. And finally, there is the necessity to decide whether our German policies are good enough to withstand the strain of political and nationalist pressure in the coming years.

R.M. M[ACDONNELL]
for Under-Secretary of State
for External Affairs

7^e PARTIE/PART 7

POLITIQUE DES ARMES NUCLÉAIRES
NUCLEAR WEAPONS POLICY

215.

DEA/50030-AG-1-40

*Note du chef de la 1^{ère} Direction de liaison avec la Défense
pour le sous-secrétaire d'État aux Affaires extérieures*

*Memorandum from Head, Defence Liaison (1) Division,
to Under-Secretary of State for External Affairs*

TOP SECRET

[Ottawa], July 15, 1955

IMPLICATIONS OF M.C. 48

Background

You will recall that, when M.C. 48 was submitted by the Military Committee to the NATO Ministerial Meeting last December, we expressed concern that member governments should be asked to take a decision of this importance at such short notice and without adequate consideration of the serious implications of the Military Committee's recommendations.⁹⁹ Various means for allowing further study by governments were discussed in this Department, and between this Department and the Department of National Defence. This Division in particular suggested that the Council should *not* at that time approve the Military Committee's conclusions, but should agree that further military studies could proceed for the time being on the assumption that nuclear weapons would be used, provided this did not pre-judge the final decision by governments. We pointed out that this report was only the first in a series of studies whose purpose was to re-assess the previously accepted bases of NATO defence planning, and that the decision to use nuclear weapons from the outset in the case of hostilities was a conclusion that should flow from, rather than precede, this re-assessment.

2. In opposition to this thesis, and in favour of approving M.C. 48, it was argued:

(a) that the Council was not being asked to approve the actual *use* of nuclear weapons, but only to authorize the military authorities to plan and make preparations *on the assumption* that such weapons would be used;

(b) that nuclear weapons could in any case be used by the United States, at the direction of the President, regardless of any NATO decision;

⁹⁹ Voir/See Volume 20, Document 356.

(c) that SACEUR was unable to defend Western Europe successfully with the conventional forces in existence and planned; that governments would have either to increase their contributions of conventional forces (which they were plainly unwilling to do) or to permit SACEUR to arm his forces with nuclear weapons; and

(d) that it was impractical for SACEUR to prepare plans on the basis of alternative strategies, conventional and nuclear, and to shift from one to the other.

Decision on M.C. 48

3. In actual fact, the Ministerial meeting did approve M.C. 48 in the following terms (Document CF(54)50, paragraph 42):

“The Council approved the Military Committee’s report (M.C. 48 Final) as a basis for defence planning and preparations by the NATO military authorities, noting that this approval did not involve the delegation of the responsibility of governments for putting plans into action in the event of hostilities.”

4. The meaning of the phrase “as a basis for defence planning” is to be found in the following conclusions extracted from the report:

(a) “It is militarily essential that NATO forces should be able to use atomic and thermonuclear weapons in their defence and that NATO military authorities should be *authorized to plan and make preparations* on the assumption that atomic and thermonuclear weapons will be used in defence from the outset”;

(b) “Should war occur, the best defence against atomic attack lies in the ability of the Allied nations to reduce the threat at the source by immediate and intensive counter-attack”; and

(c) “Priority must be given to the provision of forces in being capable of effectively contributing to success in the initial phases” and “which will have an integrated atomic capability.”

5. The meaning of the phrase “as a basis for ... preparations” is clear from the following “minimum measures” outlined in M.C. 48 as being necessary to increase the deterrent and defensive value of NATO forces:

(a) the provision of “an integrated atomic capability” (i.e., the ability to integrate the delivery of atomic weapons with the delivery of present type weapons);

(b) the provision of a fully effective alert system;

(c) steps to give forces the maximum possible warning of attack;

(d) the allocation of high priority to “forces in being”; and

(e) dispersal and redeployment measures to enable NATO forces to survive atomic attack.

Interpretations of this Decision

6. During the discussion of M.C. 48 the following ministers offered their interpretations of the qualification contained in the last part of the Council’s decision:

(a) Mr. Dulles described in the following terms the responsibility that should be reserved to governments: “It is important that the responsibility should be vested in those who are able to judge from their own position that the attack is of a nature to call for certain types of defence, and who will be able to prevent minor outbreaks, which might be judged grave by those immediately involved, from becoming an unnecessary cause for a war of vast dimensions, where that was not the purpose and will of the enemy and where the situation might be dealt with by limited rather than all-out defence.”

(b) Mr. Temple (France) said he understood the Council resolution left to the political authorities the decision whether or not atomic weapons were to be used in case of need.

(c) Mr. Martino (Italy) said he considered the Council's decision could not prejudice in any way the right which member governments retained of taking the political decisions necessary for the effective implementation of the military plans.

(d) Mr. Pearson said he did *not* want the impression to be created that "any hostile move of any kind would be met by the use of such (i.e., thermonuclear) weapons."

7. General Gruenther also put on record, in a briefing given to the Permanent Council just before the Ministerial meeting, his understanding of what approval of M.C. 48 would mean. His comments were summarized in the Council record as follows:

"It is unquestionably a political decision to decide whether or not there is an act of war, and there is no thought in our headquarters that there should be a military decision — and certainly not one that our headquarters should make. But it having been decided that there was an act of war, and that it was an all-out act of war, and not simply a local war, he felt it was not feasible to go to this or that strategy."

8. It was thus the clear intention of all concerned that unqualified approval for the use of nuclear weapons by NATO forces should *not* be given in advance and regardless of the nature of the threat posed. But the Council did not attempt to define with any precision either the nature of the circumstances in which their use would be justified, or the procedure to be followed in authorizing such use. Consequently it is possible to interpret the effect of the Council's decision in two alternative ways:

either (a) once member governments have decided that there is an all-out aggression, they will decide on belligerent action and that decision in itself will be sufficient authority for the military to use nuclear weapons as and when the situation requires;

or (b) having decided on belligerent action, member countries will still be free to decide when, or where, nuclear weapons are appropriate to meet the aggression.

9. In practice, the distinction between these two approaches is likely to be more apparent than real. In both cases the crucial point is the matter of judgment as to where the line should be drawn between limited aggression and all-out aggression. Whether the decision on this point is described as a decision on "belligerent action" or a decision on "the use of nuclear weapons" becomes academic once the NATO forces have been so organized that the only large-scale defence they can put up is a nuclear defence. In other words, the very approval which the Council has given to the NATO military authorities to plan and make preparations on the basis of M.C. 48 (see paragraphs 5 and 6 above) will condition any eventual decision regarding the use of these weapons. The scale of border incident with which SACEUR will be able to deal with conventional means will inevitably be restricted, and a decision to put up resistance on a large scale will necessarily mean a decision to fight with nuclear weapons. Whether this result is good or bad is a matter for argument, but it seems to flow inexorably from the Council's approval of M.C. 48. It does, however, underline the advisability of working out an effective "alerts" procedure. Consideration might also be given in this connection to the possibility of defining the "general alert" more precisely in relation to the use of nuclear weapons.

10. It should be noted that no distinction was drawn either in M.C. 48 or in the Ministerial meeting that approved it, between the "tactical" and the "strategic" use of nuclear weapons. It is true that all the forces at present under SACEUR's command are likely to use atomic bombs only in a tactical way, with the possible exception of the 14th USAF Bomber Group in the United Kingdom. However, this latter force could, as far as is known, be used to bomb communications centres deep in Eastern Europe, and in any case

there is no reason why elements of the U.S. Strategic Air Command could not be put under SACEUR in wartime.

Role of the United States

11. This leads to what is perhaps the most important aspect of this whole question. The decision on M.C. 48 deals only with the NATO forces and can itself have no effect on the forces remaining under national command. In other words, although NATO member governments have reserved to themselves the right of collective decision with respect to the implementation of NATO nuclear defence plans and preparations, the right of the United States to commit the Strategic Air Command to battle as part of any NATO defensive action is subject to no collective review or control. It is therefore quite possible to envisage a situation in which the NATO forces in Europe would be fighting a strictly limited defensive action, pending a decision by the Council with respect to the magnitude of the threat, while the U.S. President, having come to the conclusion that this was a case of all-out aggression, would have ordered the Strategic Air Force to bomb the Soviet Union. It would clearly be desirable to try to establish some procedure of consultation in this regard, perhaps initially among the United States, United Kingdom and ourselves, as Mr. Wilgress has suggested, covering the strategic use of nuclear weapons.

NATO Infrastructure

12. The practical implications of this nuclear defence concept for NATO defence plans and preparations are already to be seen in the modifications that SACEUR has proposed in the NATO airfields programme. Since dispersal and concealment are essential means of defence under conditions of nuclear warfare, projects to provide a "fully operational airfield for each atomic delivery squadron and each of their direct support reconnaissance squadron" will be included in the programmes recommended to SHAPE by subordinate commands for the 1956 programme (Seventh Slice), or in proposal for conversion of existing airfields. SACEUR, in his tentative guidance, recommended that airfields for these squadrons should have the following additional facilities:

- "(1) capability for local widespread dispersal of individual airplanes in the vicinity of each airfield to maximum extent practicable;
- (2) maximum practicable combination of physical protection, camouflage and concealment for individual aircraft, equipment, supplies and personnel;
- (3) minimum of one alternate means of take-off accessible from dispersal areas to preclude elimination of unit from operations through damage to regular runway. These means can be airstrips, highways, fields from which rocket-assisted take-offs can be achieved, etc."

13. SACEUR has proposed that these airfields might be provided by the assignment and modification of suitably located alternative and redeployment airfields, already programmed as part of common infrastructure, by the development of available and suitable national airfields to squadron standards, and only last through the construction of airfields at wholly new sites, if necessary.

14. We will not have an indication of the exact number of wholly new airfields that will be necessary for the support of these squadrons, nor of the total number which will be required for all types of squadrons under the new dispersal policy until this policy has been approved and subordinate commanders have made their recommendations on how it can be carried out. SHAPE's new approach policy has yet to be considered by the Standing Group although we understand that Standing Group approval is expected in the near future.

15. SACEUR bases his proposals on the approval by the Council of M.C. 48, in which it was stated that in the event of war the primary tasks of the NATO forces would be not only to survive the enemy's initial attacks, but also to retaliate immediately with atomic weapons. It would be necessary for NATO to take measures, among other things, to "ensure to the maximum extent possible the security of their vitally important strategic air forces and atomic striking forces in Europe. The most important measures to be taken are the establishment of a satisfactory alert system, the improvement of intelligence and communications, the initiative of adequate active and passive air defence measures, and the dispersion of vital atomic delivery forces." It would also be necessary to "ensure that in the event of aggression NATO forces would be able to initiate immediate defensive and retaliatory operations including the use of atomic weapons."

16. At a meeting on May 18, 1955, of the Military Representatives' Committee with the North Atlantic Council, General Truesdell, Deputy U.S. member of the MRC, reported on the conversion of NATO tactical airfield infrastructure to "atomic posture." General Truesdell stated that, in view of the fact that M.C. 48 had been approved for planning purposes, General Gruenther was "certainly doing his job in coming to the Standing Group with a recommendation of how he planned to get around the fact that one atomic bomb could knock out a whole group."

17. The Standing Group has pointed out that any change in the air defensive posture, after it receives approval from the military viewpoint, will also require searching examination by the Council. The Standing Group considers that it must be ensured that the best use is made of the limited remaining infrastructure funds and that the internal financial effects on host countries of disturbance of current national income by any interruption of infrastructure must be considered. The Standing Group also realizes that any change in policy which will require the acquisition of additional land will have serious political effects.

18. The Standing Group has urged SACEUR to expedite the completion of his redeployment studies in order that a full operational analysis of the whole problem may be made.

Conclusions

19. By its decision on M.C. 48, the NATO Council approved in principle the reorganization of the NATO forces necessary to enable them to fight with nuclear weapons in defence against all-out aggression. At the same time SACEUR was authorized to draw up the detailed plans and to recommend the physical preparations required for this purpose. These plans and preparations will, of course, have to be approved in the normal way by the appropriate NATO bodies and preparations requiring additional expenditures or the movement of troops will require approval by member governments. In other words, the policy has been approved but its detailed implementation will still be subject to the normal control and supervision of the NATO Council and its subordinate bodies.

20. The NATO Council reserved to itself the power to decide whether a given threat was such that SACEUR's defence plans should be put into action (i.e., whether or not a given attack was part of an all-out aggression). However, the Council did not define the relationship between this decision and the decision concerning a "general alert" under the NATO alerts procedures, and this relationship could usefully be clarified.

21. Regardless of such a NATO decision, however, the United States is free to take independent action with the Strategic Air Command which could in fact pre-determine the course of events. Perhaps the most fruitful avenue of approach to this problem is the proce-

ture of consultation on intelligence "indications" which is at present being worked out between the United States, the United Kingdom and ourselves.¹⁰⁰

G. IGNATIEFF

8^e PARTIE/PART 8

RÉUNION DES MINISTRES DE LA DÉFENSE DE L'OTAN, PARIS,
10-12 OCTOBRE 1955

MEETING OF NATO DEFENCE MINISTERS, PARIS,
OCTOBER 10-12, 1955

216.

DEA/50102-L-40

*Note du sous-secrétaire d'État aux Affaires extérieures
pour le secrétaire d'État aux Affaires extérieures*

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

TOP SECRET

Ottawa, September 27, 1955

OCTOBER MEETING OF NATO DEFENCE MINISTERS

Telegram No. 1115 of September 21† from our NATO Delegation in Paris (copy attached) gives an outline of the proposed programme for the NATO Defence Ministers' Conference in Paris which commences on October 10. The public announcement of this meeting calls it "a preliminary conference between Defence Ministers in preparation for the regular Ministerial session of the NATO Council towards the end of the year." The meeting is purposely represented as having a routine character in order to avoid giving the public the impression that there is some connection between it and the Geneva Conference at the end of October.

2. The meetings will start with a briefing by SACEUR followed by briefings from each of the Commands about their respective problems. This briefing will include statements on North American Defence problems including a brief by the U.S. Commander-in-Chief Continental Air Defence. The Canadian Chiefs of Staff have approved the outline of the Commander-in-Chief's proposed statement on condition that it includes the following statement:

"The rôles of the Canada-United States air defence effort, one of which is that of providing early warning and protection for the retaliatory forces of NATO nations, considered to be major deterrents to war."

3. General Gruenther will report on the steps which are being taken within his Command in accordance with MC-48, "to secure an integrated atomic capability for instantaneous use". Under "survival measures" he will discuss the atomic posture for his air forces, and will deal especially with a number of measures to be taken in the immediate future aimed at a further dispersal of Air Force units to enable them to survive atomic attack.

4. A study prepared on this subject will be examined by Standing Group in due course and it is expected that Canada will be asked for its comments before its recommendations

¹⁰⁰ Note marginale :/Marginal note:

The Minister — for information J. L[éger]

are finally approved. Meanwhile some of the infrastructure plans are being altered where immediate action is necessary to halt the construction of lengthy runways which are no longer considered desirable under the dispersal programme.

5. There will thus be plenty of opportunity for the NATO Military authorities and the Defence Ministers to discuss MC-48 and its implications for the future in NATO Defence Planning although, of course, no decisions will be taken or agreements reached at the October Conference.

6. It occurred to me that you may wish to have a word beforehand with Mr. Campney personally about your misgivings concerning the interpretation and implications of the Council's action last December in approving MC-48 "as a basis for defence planning and preparations by the NATO Military authorities". You will recall that I sent you a Departmental memorandum (attached) on this subject last July.¹⁰¹

7. It appears to us that SACEUR is not exceeding the authority invested in him by the Council in making plans and preparations attuned to the new atomic strategy. However, the main question which needs clarification is whether it is understood by the NATO Commanders that the approval of MC-48 still reserves to governments the right to decide whether SACEUR's defence plans are to be put into effect including the decision of whether atomic weapons are to be used depending on whether the nature and extent of the threat is deemed to warrant general war as against a limited threat which could be localized.

J. L[ÉGER]

217.

DEA/50102-L-40

*Le représentant permanent auprès du Conseil de l'Atlantique Nord
au secrétaire d'État aux Affaires extérieures*

*Permanent Representative to North Atlantic Council
to Secretary of State for External Affairs*

TELEGRAM 1182

Paris, October 12, 1955

SECRET

Reference: Our telegram No. 1165 of October 5.†

CONFERENCE OF DEFENCE MINISTERS WITH NATO MILITARY
AUTHORITIES — OCTOBER 10-12

In our telegram under reference we outlined the proposed programme. Copies of the summary records are being forwarded to you. However, in the meantime, you may wish to have our general impressions of the meeting. It was emphasized at the outset that the conference was to be devoted to briefings given by the various area commanders, with particular reference to the military implications of recent Soviet "peaceful" gestures in the field of international affairs. The conference was not intended to replace in any way the regular December meeting nor was it to be publicized as a significant pre-Geneva gesture. This was, in fact, the way in which the conference developed. There were few questions asked by the Ministers on the individual briefs presented.

¹⁰¹ Voir/See Document 215.

2. At the end of the briefings and before the general discussion periods, the Standing Group summarized their position, and emphasized that, in contrast to the international political atmosphere of "smiles and garden parties", the Soviet bloc is increasing its military potential at a marked pace while the military strength of NATO is at best static if not retrogressing in both quality and quantity. He pointed out that NATO estimates of Russian knowledge in the field of atomic weapons, and in the field of production capabilities, including aircraft, have proven wrong. Document MC. 48 remains the basic planning document of the NATO Military authorities, but the Standing Group warned the conference that, should NATO military strength decrease any further, either actually or relatively, they will be unable to plan on a forward strategy, which as you know, includes the closing of the Baltic exit. (Incidentally, the importance of the latter was repeatedly stressed by each of the officers presenting briefs). Moreover, General Whitely stated that, while the outcome of the first or total nuclear stage of the war will probably be decisive in its effects, conventional forces will still be necessary. Ministers were therefore asked to resist pressures for the decrease of defence spending.

3. The Standing Group then summarized their most pressing problems as follows:

(1) The need for a co-ordinated Air Defence Command System. While NATO Military authorities recognize the concern of national governments on this point, they consider that there is really no alternative to some co-ordinated system. They suggested that initially four commands might be set up, suitably linked with each other, and delineated so as to recognize existing command problems in the NATO area (i.e. commands would be: Northern, United Kingdom, Central and South-Mediterranean).

(2) The early warning system in Europe is inadequate and has top priority.

(3) Deficiencies in naval equipment and spare parts are particularly obvious at this time.

(4) Logistic support facilities must be developed further. Moreover, the Standing Group pointed out that some nations have not maintained stock piles previously agreed to in Document C-M(53)47 (final) as being essential to bridging the inevitable gap between the onset of war and the functioning of these facilities.

4. General Collins then indicated that Document M.C. 48/1 will shortly be in the hands of national military authorities as a supplement to M.C. 48. The new document deals with problems of stage two of the type of warfare envisaged, and deals with naval problems, survival and dispersal, and logistic support.

5. From our point of view, the brief given by the Canada-United States regional planning group was effective as an educational exercise in problems of North American defence, although General Partridge tended to gloss over some of the difficulties and he did not emphasize enough the NATO character of North American defence. This latter was later brought out by General Gruenther and again by Mr. Campney when he spoke during the general discussion. General Partridge explained the early warning system and the interlocking of air defence commands in sufficient detail to present a clear picture to those members of the conference who were not versed in this subject and also to impress European NATO members with the necessity of achieving co-ordination of air defence on a comparable scale. It is interesting to note that General Gruenther gave strong support to General Partridge's emphasis on the importance of North American defence, and more specifically, the early warning system, as an integral part of the overall NATO defence. You may also be interested in the following quotation from a Soviet source used by General Partridge during his presentation: Text begins:

"War to the hilt between communism and capitalism is inevitable. To-day, of course, we are not strong enough to attack. Our time will come in twenty or thirty years. To win we

shall need the element of surprise. The people will have to be put to sleep, so we shall begin by launching the most spectacular peace movement on record. There will be electrifying overtures and unheard of concessions. The capitalist countries, stupid and decadent, will rejoice to co-operate in their own destruction. They will leap at another chance to be friends. As soon as their guard is down, we shall smash them with our clenched fists." Text ends.

This is a statement made by Dimitry Manuilski, before the Lenin School of Political Warfare in 1931. Manuilski was later Foreign Minister of the Ukraine and as such participated in the United Nations General Assembly during its first four sessions.

6. General Gruenther's presentation was made with vigour and enthusiasm. He emphasized the positive aspects of the NATO position as well as the negative. This was perhaps a fortunate contrast to the discouraging note sounded by the other commanders, apart from General Partridge, whose method of presentation did not encourage discussion and who were too pessimistic. General Gruenther affirmed his belief that if war broke out, NATO would win, but he emphasized that this referred only to the present condition of NATO and could not apply if the present apparent decrease in its relative strength continued or if its unity was further threatened.

7. Lastly, the general ignorance and even apathy towards NATO which exists in countries of the alliance was mentioned several times during the course of the conference. I have mentioned it myself recently in the Council, and General Gruenther devoted some time to this aspect of NATO's problems. He quoted a public opinion survey made recently in NATO countries to bear out his point, and emphasized that NATO does at the moment have a significant element of security, and that governments of member countries should try to do more to increase the confidence of their peoples in our bargaining power vis-à-vis the Soviet bloc.

8. We shall be sending you later a telegram summarising the discussion which took place in restricted session following the presentation of the military briefs.

L.D. WILGRESS

218.

DEA/50102-L-40

*Le représentant permanent auprès du Conseil de l'Atlantique Nord
au secrétaire d'État aux Affaires extérieures*

*Permanent Representative to North Atlantic Council
to Secretary of State for External Affairs*

TELEGRAM 1189

Paris, October 14, 1955

SECRET

Reference: Our telegram No. 1182 of October 12.

CONFERENCE OF DEFENCE MINISTERS WITH NATO MILITARY AUTHORITIES

After the presentation of the military briefs, the Defence Ministers met in restricted session to discuss the points brought out by the military authorities. This discussion was commenced late in the afternoon of October 11, and continued the next morning.

2. The Defence Minister of the Netherlands led off with a well-thought out prepared statement. He referred to the probably new structure of divisions and common air defence. He stressed that additional financial burdens were likely to be placed on nations, and pro-

posed a comprehensive view of force requirements with a view to the setting out by the military authorities of priorities. The Chairman of the Standing Group intervened with a brief statement stating that they had always regarded the determination of priorities as a national responsibility. What he really meant was that the Standing Group had refrained from indicating negative priorities unless specifically requested by the national authorities concerned.

3. Mr. Selwyn Lloyd of the United Kingdom made an effective speech indicating that in his view the top priority was the deterrent, and he included in this the early warning system both in North America and Europe. The second priority was the shield constituted by the NATO forces, and here the need was to stress quality rather than quantity. In his view there was now less need to spend money on forces not likely to be engaged in the initial phase.

4. The Italian Defence Minister followed, and took up the point raised by the Netherlands Minister. He thought the military authorities should give a more precise indication of requirements and of the priorities of these requirements. The Belgian Defence Minister raised the question of conventional forces, and asked what revisions were necessary. General Billotte, the new French Defence Minister, in his intervention dealt mainly with the importance to NATO of the re-establishment of orders in North Africa. Mr. Campney followed, and his remarks were designed to indicate the importance to NATO as a whole of the air defence of North America.

5. When the meeting resumed on October 12, the Norwegian Defence Minister referred to the proposal made by the Netherlands Minister on the previous day, and gave it his support. Lord Ismay asked the Standing Group if they could give an indication of the military attitude towards the widely-held current view that conventional forces could be considerably reduced. The Chairman of the Standing Group stated that they would submit a written report on the subject as soon as possible.

6. Lord Ismay then referred to the prevailing ignorance about NATO to which General Gruenther had called attention, and asked Defence Ministers to make a special effort to acquaint their troops with the aims and objects of NATO. General Collins and Mr. Campney outlined what is being done in this connection by the United States and Canada.

7. The Portuguese Defence Minister made some comments on their particular position with regard to air defence. Lord Ismay commented that he had recently received a memorandum from the Portuguese Government on this subject which would be discussed by the Permanent Council at an early opportunity. The Turkish Permanent Representative, in the absence of the Defence Minister, stressed the gravity of the situation in the Middle East. Mr. Wilson delivered a rather discursive speech dealing with some of the points brought out in the discussion. In particular, he stressed the continuing need for conventional forces. On the subject of priorities, he said a balance would have to be reached between the cost of replacement and maintenance of equipment and the maintenance of existing forces.

8. After brief interventions by the German Under-Secretary and the Danish Permanent Representative, the conference took up the question of priorities which had been raised at the outset by the Netherlands Defence Minister and supported by a number of the other Defence Ministers. General Collins, on behalf of the Standing Group, gave an indication as to the present method of revising force goals through the annual review. He stated he did not believe there was any quick or early solution to the point made by the Netherlands Minister. It would not be possible to give list of priorities which would be applicable at the same time to, say Denmark and Turkey. He believed that the annual review process remained the most effective way of working out the priority problem. When, however,

there were genuine divergencies in the recommendations made by two commanders, the Standing Group could be appealed to for advice. This reply did not satisfy the Italian Defence Minister who proposed a comprehensive review of force goals and priorities. General Valluy, the French member of the Standing Group, outlined the working methods of the Standing Group and gave as an example the current studies as to how a major unit should be composed. Before it could be known whether a review of force goals would be necessary, a conclusion would have to be reached as to what type of unit would be best adapted to future conditions. This would take some time since the military authorities have to complete the arduous but essential experiments now in progress.

9. Lord Ismay summed up by stating that apparently there had been a misunderstanding. In his opinion the Lisbon force goals had been replaced by the force goals established by each annual review. He thought the proposal as to whether there should be a comprehensive review of force goals and priorities might be referred to the Council in permanent session for further study. He then succeeded in securing from the Standing Group their agreement that if military recommendations, based on urgent requirement, involved expenditure additional to that which could be provided, the military authorities would suggest cuts in other fields to offset this additional expenditure. The conference agreed with the proposal of Lord Ismay and invited the Permanent Council to consider the matter further. This was obviously a means of disposing of an awkward question since it is unlikely more than the present system is warranted, although the discussion may have served the useful purpose of bringing to the attention of the military authorities the need for suggesting directions in which economies in defence expenditures may be undertaken in order to deal with additional commitments of an urgent character.¹⁰²

L.D. WILGESS

9^e PARTIE/PART 9

ARTICLE 2 ET COOPÉRATION NON MILITAIRE
ARTICLE 2 AND NON-MILITARY COOPERATION

219.

DEA/50105-E-40

*Le représentant permanent auprès du Conseil de l'Atlantique Nord
au secrétaire d'État aux Affaires extérieures*

*Permanent Representative to North Atlantic Council
to Secretary of State for External Affairs*

TELEGRAM 216

Paris, February 23, 1955

CONFIDENTIAL

Reference; Our letter No. 2647 of September 7, 1954.†

Repeat London No. 26; Washington No. 10.

¹⁰² Pour un examen plus poussé du problème des priorités de défense, voir le document 234.
For further consideration of the problem of defence priorities, see Document 234.

ECONOMIC COLLABORATION IN NATO — ARTICLE 2

We have recently been giving renewed consideration to the possibility of making some moves toward the implementation of Article 2 in the field of economic collaboration. In the past, studies on implementation in the Department have centred on the question of whether NATO might take over a measure of international responsibility for certain subjects and it was discovered that, almost without exception, they were better handled in other organizations, where machinery had been set up to deal with them and where the membership was more appropriate. While we have always been in agreement with this view, it leaves open one very pertinent question.

2. The second sentence of Article 2, as Mr. Robertson pointed out in his letter of February 11, 1954, is a positive statement of international policy requiring member countries to "seek to eliminate conflict in their international policies and ... encourage economic collaboration between any or all of them". It is apparent that this statement of policy cannot be invoked in other organizations. Unless it is exactly invoked in NATO it can only remain a faint call on the conscience of member countries which has and may be expected to continue to dwindle in strength as the years pass.

3. What we are now considering is the possibility of providing for discussion on the broad politico-economic aspects of economic collaboration in the NATO Council — preferably at ministerial level. The procedure for the discussion of political issues is a good precedent although economic issues raise separate and more complicated problems.

4. The best method to initiate thought and discussion of economic collaboration raises a series of problems. One avenue of approach might be through the Annual Review process. This general question could be the subject of a special study to be conducted initially by the international staff and reviewed by a special Working Group or the Annual Review Committee itself if necessary. It could then be mentioned, along with other issues, in the general chapter of this year's Annual Review Report. This method may present an opportunity for NATO to take official cognizance of the economic provisions of Article 2. Without setting up any special machinery to examine these questions, a review of the situation could be prepared for the information of ministers when they were considering the Annual Review at the December meeting of the Council. This would afford the opportunity for any minister, who so desired, to raise a question pertaining to economic collaboration.

5. We are not unmindful of the difficulties connected with the preparation of the Review on Economic Collaboration, but in our view a review which could serve as a basis for discussion could be drawn up. We do not have in mind any particular aspect of the question of economic collaboration which we would wish to raise at the Council meeting next December. That would depend on the circumstances prevailing at the time. We feel, however, that the matter should be approached cautiously. For example, the ministerial discussions might not, at this stage, result in any positive recommendations to individual countries. They would serve to keep the Article 2 provisions alive and as a minimum we might wish to say that the special study had served a useful purpose and that we would hope that it would be continued in the future as a regular part of the Annual Review process.

6. While we might not have anything to say next December, a number of countries could have points to raise. We would then begin to have a useful discussion in NATO of the broader aspects of the economic policies of member countries particularly with regard to political considerations and objectives. This should serve to supplement, and thus give clear direction to, what is being done in other international organizations and should not in any way conflict with the work of these other bodies.

7. My immediately following telegram gives the draft text of a memorandum which the Canadian Delegation might submit to the Annual Review Committee proposing a special study on economic collaboration. We would request your authority to sound out, first of all, a number of other delegations and then, if they do not offer too much opposition to the whole idea, to submit the memorandum officially. We should like to have your instructions without undue delay as it would be necessary to submit the memorandum before March 24, when the preparatory work for the first stage of the Annual Review process should be nearing completion.

[L.D.] WILGRESS

220.

DEA/50105-E-40

*Le représentant permanent auprès du Conseil de l'Atlantique Nord
au secrétaire d'État aux Affaires extérieures*

*Permanent Representative to North Atlantic Council
to Secretary of State for External Affairs*

TELEGRAM 217

Paris, February 23, 1955

CONFIDENTIAL

Reference: Our immediately preceding telegram.
Repeat London No. 27; Washington No. 11.

ECONOMIC COLLABORATION IN NATO — ARTICLE 2

Following is text of draft memorandum on the subject of special study on economic collaboration referred to in my immediately preceding telegram.

Text Begins:

Article 2 of the North Atlantic Treaty envisages broadly two fields of cooperation between NATO countries. One of these is cooperation in regard to information policies, cultural and social relations, which is the field now being covered by the NATO Committee on Information and Cultural Relations. The other is that of economic collaboration, for which Article 2 provides that:

“The parties will contribute toward the further development of peaceful and friendly international relations ... by 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”.

2. Neither the Council nor any of its Committees has ever examined the situation with respect to the carrying out of the above provisions. The reason given is that economic cooperation is the prerogative of other bodies, having a membership wider than NATO but with which most of the NATO countries are associated. The most important of these other bodies is the Organization for European Economic Cooperation (OEEC), of which Canada and the United States are associate members and all of the other NATO countries are full members. Other international organizations that come into question in this connection are the International Monetary Fund (IMF), the International Bank for Reconstruction and Development, the Economic Commission for Europe (ECE), and the Contracting Parties to the General Agreement on Tariffs and Trade. (GATT).

3. It is the view of the Canadian Delegation that NATO can no longer afford to leave entirely to these other international organizations the carrying out of the economic provi-

sions of Article 2 of the treaty, of which they are not able to take official cognizance by reason of the fact that their memberships are wider than NATO. The Canadian Delegation would not propose that any special machinery be set up to examine these questions, but simply that a review of the situation be prepared for the information of ministers when they are considering the annual review at the December meeting of the Council. This would then afford an opportunity for a minister, if he so wished, to raise any question pertaining to economic collaboration under the provisions of Article 2 of the treaty.

4. The review of the situation referred to in the preceding paragraph could take the form of a special study in connection with the annual review process. Either on the basis of replies to a questionnaire or on the basis of speeches and other declarations delivered at OEEC, IMF, the Bank, ECE and GATT, the International Staff could prepare brief summaries of the economic policies of each of the NATO countries. This could be followed by a résumé pointing out apparent conflicts in economic policies between the different NATO countries and the openings for economic collaboration between any or all of them. The special study would be an objective and factual document and would be discussed in and approved by the Annual Review Committee before presentation to Council.

5. The Canadian Delegation presents this proposal for the consideration of the Annual Review Committee. Text ends.

[L.D.] WILGRESS

221.

DEA/50105-E-40

*Note du sous-secrétaire d'État aux Affaires extérieures
pour le secrétaire d'État aux Affaires extérieures*

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

CONFIDENTIAL

Ottawa, April 20, 1955

ARTICLE 2 OF THE NORTH ATLANTIC TREATY:
ECONOMIC COLLABORATION

In his telegrams numbers 216 and 217 of February 23 Mr. Wilgress put forward proposals for periodic discussion in the North Atlantic Council, preferably at the ministerial level, on the broad politico-economic aspects of economic collaboration. After serious consideration in this Department and after consultation with the Departments of Finance and Trade and Commerce, we informed Mr. Wilgress in our telegram number 299 of March 23† that we could not agree that he should submit his proposal to the Council at this time. We also promised to let him have a fuller explanation by despatch.

2. I think it would be desirable for this amplification of our position to come from you. I therefore attach for your signature, if you approve, a despatch outlining the main considerations on which our conclusion was based and attaching copies of letters from the other two departments containing their views.

3. The considerations outlined in paragraphs 2 to 5 of this despatch are the same as those which led us to decide against endorsing Mr. Wilgress's proposal in referring it to the other

departments for comments. You will recall that I showed you at the time the departmental memorandum in which these were discussed.¹⁰³

J. L[ÉGER]

[PIÈCE JOINTE/ENCLOSURE]

*Projet d'une dépêche du secrétaire d'État
aux Affaires extérieures¹⁰⁴
au représentant permanent auprès du Conseil de l'Atlantique Nord*

*Draft of despatch from Secretary of State
for External Affairs¹⁰⁴
to Permanent Representative to North Atlantic Council*

CONFIDENTIAL

Ottawa, April 19, 1955

Reference: Your telegrams No. 216 and 217 of Feb. 23 and our telegram No. 299 of March 23.

ARTICLE 2 OF THE NORTH ATLANTIC TREATY:
ECONOMIC COLLABORATION

I am sorry that we were not able to endorse your proposal for implementing Article 2 in the field of economic collaboration at this time. I realize that we in Ottawa appear to turn down initiatives such as this more often than not and that it might be disheartening to those like yourself who are convinced that NATO must be more than a military alliance, and must show that it is, if it is to endure. I myself am, of course, of this conviction. The general objective which you had in mind appealed to us and we gave it very serious consideration, with particular emphasis on your suggestion that provision should be made for periodic discussion in the North Atlantic Council, preferably at the ministerial level, on the broad politico-economic aspects of economic collaboration. We regarded your specific suggestion for doing this through the Annual Review process as only one possible method and not essential to your main proposal. The more we looked at it, however, the more we saw the practical difficulties which it involved and we were finally forced to conclude reluctantly that they were insuperable, for the time being at least.

2. In the first place, if Canada put forward such a suggestion, we should be under some obligation to take a lead in the discussions in the Permanent Council and especially in Ministerial meetings. However, we saw little or no chance that the other ministers¹⁰⁵ most directly concerned would feel able to take a personal interest in such discussions and it was even doubtful whether they would normally be able to attend future Ministerial meetings.

3. In the second place, we found it difficult to see how any survey of economic policies and problems prepared for such discussions could avoid dealing with the fundamental difference of approach between Canada and to a lesser extent the United States, on the one hand, and the European member countries, on the other, with respect to the economic and

¹⁰³ Léger a ajouté la note suivante au mémoire :/Léger added the following note to the memorandum:

I am disheartened by the lip-service being paid to Article 2 & the fact that so little is being done to bring it to life. We may have to pay dearly for this policy or lack thereof.

¹⁰⁴ Note marginale :/Marginal note:

Not to be sent J. L[éger]

¹⁰⁵ Howe et Harris.
Howe and Harris.

commercial policy that should govern relations within Western Europe and between that area and North America. We felt that further discussion on this matter in NATO would be likely to give rise to the same recrimination, ill-feeling and embarrassment that it has already done in the OEEC and GATT, and to harden further the positions previously adopted.

4. Moreover, although discussion of this problem in NATO might enable us to put it into the context of broader political and strategic considerations, it is unlikely that such considerations would be allowed by the European member countries to influence in any appreciable way their existing economic policies. Indeed, some of us felt that to introduce this controversial issue into NATO might conceivably affect adversely the already existing political and military cooperation between member countries.

5. There might be special economic problems which from time to time could usefully be discussed in the North Atlantic Council in order to relate them to the political and strategic aspects of the alliance, but we considered that this could be done on an ad hoc basis under existing procedures without making special provision for it as you suggested.

6. In the process of our consideration of your proposal we consulted the Departments of Finance and Trade and Commerce. I attach copies of the letters† outlining their views.

222.

DEA/50105-E-40

*Note du secrétaire d'État aux Affaires extérieures
pour le sous-secrétaire d'État aux Affaires extérieures*
*Memorandum from Secretary of State for External Affairs
to Under-Secretary of State for External Affairs*

[Ottawa], April 27, 1955

ARTICLE 2 OF THE NORTH ATLANTIC TREATY

I do not like the attached draft despatch to our NATO representative in Paris, which turns down his suggestion that the Permanent Council should examine the Article in its economic co-operation aspects as part of the Annual Review procedure. I think that our attitude is too negative in this matter, and I am sorry that telegram No. 299 of March 24 was sent.

I would like to discuss the matter with you and those concerned in the Department before leaving for Paris. Meanwhile, possibly we could let Mr. Wilgress know that notwithstanding our earlier telegram, the matter is being reconsidered.

L.B. P[EARSON]

223.

DEA/50105-E-40

*Note du sous-secrétaire d'État aux Affaires extérieures
pour le secrétaire d'État aux Affaires extérieures*
*Memorandum from Under-Secretary of State for External Affairs
to Secretary of State for External Affairs*

CONFIDENTIAL

[Ottawa], May 5, 1955

ARTICLE II OF THE NORTH ATLANTIC TREATY

Attached is the memorandum which Mr. Ritchie has prepared for you on the feasibility of dealing with general economic questions on a NATO basis.

I have neither the time nor the knowledge to comment on the substance of the matter, but I must say that if the only role of Article II is to serve "as a guide for individual Member countries and as a basis for representations to particular countries if we feel that their economic policies are damaging the interests of other NATO countries", we might as well admit that its usefulness is practically nil. It would be interesting to know of a NATO country which has paid serious attention to this Article when formulating its economic policy.

If Article II means nothing else than this, I submit we should in all frankness call the whole operation off and cease to express high hopes about the implementation of this Article when we know that nothing will come of it.

There may, however, be specific fields of international economic activities where this Article could still play a useful role; it seems most improbable that such fields can ever be exploited if no opportunity is afforded NATO members even to discuss.¹⁰⁶

J. L[ÉGER]

[PIÈCE JOINTE/ENCLOSURE]

*Note du sous-secrétaire d'État aux Affaires extérieures
pour le secrétaire d'État aux Affaires extérieures*
*Memorandum from Under-Secretary of State for External Affairs
to Secretary of State for External Affairs*

CONFIDENTIAL

[Ottawa], May 4, 1955

ARTICLE II OF THE NORTH ATLANTIC TREATY

In connection with your suggestion that we should find out the extent to which NATO bodies may have already come to a conclusion regarding the feasibility of dealing with general economic questions on a NATO basis, we have now reviewed the various documents relating to the work of the Atlantic Community Committee in 1951 and 1952.¹⁰⁷

As you will probably recall, section B of the Report by the Working Group of officials examined a great variety of economic matters which might be considered by NATO and concluded generally that it would "be most undesirable to try to discuss in the NATO

¹⁰⁶ Note marginale :/Marginal note:

This matter was discussed personally with Mr Wilgress in Paris. L.B. P[earson]

¹⁰⁷ Voir volume 17, le chapitre 5, 9^e partie et volume 18, le chapitre 5, première partie./See Volume 17, Chapter 5, Part 9 and Volume 18, Chapter 5, Part 1.

forum all the important and complex subjects now under discussion or likely to be discussed in these other bodies. An attempt to do so would not only involve duplication of effort on the part of the NATO countries themselves, but might also be resented by the other bodies and more particularly by members of these bodies who are not also members of NATO. The NATO countries should clearly tread very warily in these fields.” (Page 13 of Document AC/10-D/1 of October 30, 1951).

The Working Group did not go so far as to say that NATO should do nothing in these fields even though it raised doubts about whether NATO was sufficiently broad an organization for dealing effectively with most of the subjects involved. The Working Group held out the hope that the NATO Council Deputies might be able to have some useful discussions and remarked that “from time to time and *under rather special circumstances*, it might be possible to undertake a review within NATO ... of a certain field of international economic activities”. The Working Group gave a good deal of emphasis to the usefulness of all NATO countries resolving “individually that their actions and attitudes in ... other bodies will never be in conflict with the terms and purposes of the North Atlantic Treaty”.

The Ministerial Committee on the North Atlantic Community in its interim report of November 6, 1951, noted that “the importance of maintaining relations with free countries outside the North Atlantic area, and an appreciation that most international economic problems involve countries outside, were considerations that ran through the discussions of the Committee in the economic and financial field”. (Page 10 of Document C8-D/6).

In its extensive report submitted to the Lisbon session of the Council, the Committee indicated that it was “conscious of the fact that questions of economic co-operation are already being examined by numerous international agencies, many of them with wider membership than NATO; and that duplication and unnecessary over-lapping should be avoided. The Committee is also conscious of the difficulty and even the danger of attempting to liberalise trading policies and practices within a group, the members of which have important trading relations with other countries and, in some cases, have already developed special and constructive arrangements with countries outside this group”. (Page 3 of Document C9-D/8).

These excerpts may not contain quite as definite conclusions regarding the suitability of NATO as a forum for economic discussions as you would wish. Nevertheless, it would seem doubtful that any new exploration of this matter which might be undertaken at this time would produce a more satisfactory result.

I would only add that I think we should not underrate¹⁰⁸ the importance of Article II as a guide for individual Member countries and as a basis for representations to particular countries if we feel that their economic policies are damaging the interests of other NATO countries. A review of the exchanges which we, ourselves, have had with the U.S. Government concerning commercial policies or practices which we found objectionable gives some impression of the usefulness of that Article and of the general spirit which it embodies. For instance, in the memorandum which the Prime Minister presented to President Eisenhower in May of 1953, part of our argument was developed along the following lines:

“Through NATO the nations of the Atlantic Community have provided effective machinery of co-operation and are building a strong shield against aggression. Through the development of common institutions, such as those for the coal and steel industries

¹⁰⁸ Note marginale :/Marginal note:
? [L.B. Pearson]

and for defence, the countries of Western Europe are achieving increasing unity and strength. These accomplishments express the determination of the free peoples to maintain their security. In these efforts Canada has taken its part.

The question we must ask ourselves is — do these great accomplishments respecting our political unity and security rest on an adequate foundation? There is increasing evidence that they are being endangered by the crucial inadequacy of policies affecting international economic relations.”¹⁰⁹

In subsequent exchanges regarding particular commodities, although we did not specifically invoke Article II, we repeatedly used arguments which were undoubtedly reinforced by the existence of this Article. Moreover, as you will recall, the terms of reference of the Joint U.S.-Canadian Committee on Trade and Economic Affairs stressed the role of that Committee in considering “matters affecting the harmonious economic relations between the two countries”.¹¹⁰ This language represented an adaptation of the language of Article II relating to the “avoidance of conflict” in international economic policies. The activities of this Committee — to the extent that it is found to have a practical role to play — might properly be regarded as implementing the provisions of Article II which envisages such arrangements between “all or some” of the North Atlantic countries.

As you suggested, I am returning to you the draft despatch to Mr. Wilgress which I believe you intend to discuss with him while you are in Paris.

J. L[ÉGER]

224.

DEA/50105-E-40

*Le représentant permanent auprès du Conseil de l'Atlantique Nord
au secrétaire d'État aux Affaires extérieures*

*Permanent Representative to North Atlantic Council
to Secretary of State for External Affairs*

CONFIDENTIAL

Paris, June 22, 1955

Dear Mr. Pearson,

ARTICLE 2 OF THE NORTH ATLANTIC TREATY:
ECONOMIC COLLABORATION

When you were in Paris during the first part of May for the meeting of the North Atlantic Council, you spoke to me about the above subject and asked me to consider carefully the memoranda which had been prepared in the Department and to let you have my views as to a possible alternative approach. The subject was again mentioned when I saw you at the Chanteclerc Hotel in Ste. Adèle-en-Haut on May 22nd.

I have carefully noted the main considerations which led the officials in Ottawa to recommend that you should not endorse the proposal set forth in my telegrams Nos. 216 and 217 of February 23rd. These are given in paragraph 3 of the memorandum of March 4th to

¹⁰⁹ Voir/See Volume 18, Document 660.

¹¹⁰ Voir/See Volume 18, Document 487.

the Under-Secretary from Defence Liaison (1) Division,¹¹¹ a copy of which you let me see when you were in Paris.

If I may say so, I think the officials in Ottawa have misunderstood my motive in putting forward the proposal. This is not to be wondered at because, as I see it, the tangible advantages to be gained from a discussion in NATO of the broad politico-economic aspects of economic collaboration are the political advantages; the less tangible and elusive ones are the economic advantages. The principal advantage would be to keep the second sentence of Article 2 alive as a positive instrument of international policy. Properly handled, this would help to engender gradually a sense of the North Atlantic Community which we are so desirous of fostering, as the sense of the European Community has been engendered among the members of OEEC by the discussions which have been taking place in that body. A subsidiary advantage would be that by keeping alive the second sentence of Article 2 as a positive instrument of international policy, useful resort might be taken of it on some later occasion.

In paragraph 3(a) of the departmental memorandum referred to above it is stated that if Canada put forward such a suggestion we would be under some obligation to take a lead in the NATO discussions, yet there is little or no expectation that either Mr. Harris or Mr. Howe would be prepared to interest themselves in such discussions or even to attend future ministerial meetings. Without being in any way disrespectful towards either Mr. Harris or Mr. Howe, my view is that you would be the most effective Minister to take the lead in such a discussion on account of your close identification with the idea of the North Atlantic Community. Without presuming to indicate the line you should take, I can see how you could make a very effective intervention by describing in general terms the realities behind the North Atlantic Community, such as the fact that the relations between the NATO countries constitute a very large proportion of world trade and that the policies of these countries have a decisive effect not only on trade between themselves but also on world trade generally (the so-called "nuclear approach"). You could then go on to elaborate how the well-being of the Community and the solidarity and strength of the Alliance can be fostered if the various NATO countries are able to collaborate closely in economic matters and avoid conflict in their international economic policies. It would probably not be wise for you to stress any particular area of conflict but to leave that for the other members of the Council. In other words, your leadership could be to place the consideration of the second sentence of Article 2 on the broad and high plane of politico-economic considerations, of which other countries could take advantage if they felt there was any specific area of conflict to which they wished to draw attention.

Paragraph 3(b) of the departmental memorandum argues that politico-economic discussions in NATO might give rise to "recrimination, ill-feeling and embarrassment". I do not agree that this would necessarily be the case. Much would depend on what was discussed and how it was handled. It is unlikely that the simple insertion of an Article 2 catalyst could alter entrenched positions and it would of course be unwise to stretch the Atlantic Community to the breaking point. If this was not done, however, there would appear to be no logical reason why a broad discussion of economic problems in the context of Article 2 might not build up an attachment for the Community principle. This could only be done, however, if difficult issues were approached carefully and tactfully. In the first instance,

¹¹¹ Ce paragraphe en quatre parties est reproduit en tant que paragraphes 2 à 5 de l'annexe au document 221.

This four-part paragraph is reproduced as paragraphs 2 through 5 in the attachment to Document 221.

discussion might well centre on the positive achievements of our collaboration in different forums.

As regards paragraph 3(c) of the departmental memorandum, I agree, as already mentioned, that it is unlikely that a discussion of the major differences in economic policies in the context of broader political considerations would, in present circumstances, influence member countries in any direct way. There could be no question of carrying on economic negotiations in the NATO forum and this concept was certainly not intended in my telegrams Nos. 216 and 217. On the other hand, this opportunity for discussing Article 2 problems might serve as a useful means of modifying regional tendencies in Europe and as a means of promoting more effective collaboration in the world-wide economic organizations.

In the light of the above, I have considered what might be the best alternative approach to that set forth in our telegrams Nos. 216 and 217. I made a mistake in proposing that this approach should be connected with the Annual Review process. I derived the idea from the so-called "peeling off" of special subjects as a part of the Annual Review process, but I realize now that in Ottawa the Annual Review still carries connotations of "burden-sharing". For this reason it is unfortunate that I connected the approach to the second sentence of Article 2 with the Annual Review process. This was realized in the Defence Liaison (1) Division because in their memorandum to the Economic Division of February 24th† they expressed their doubts as to whether the best agency to use is the Annual Review Committee. They pointed out quite correctly, however, that this was not necessarily an essential part of my proposal.

In the light of the views expressed in the departmental memoranda, I have thought over the position and have decided that what is essential in my proposal is that the second sentence of Article 2 should be made a subject for discussion at the December Ministerial Meeting of the Council. This can be done simply by proposing that such an item should be included in the agenda for that meeting. Accordingly, I have prepared a draft of a memorandum which the Canadian Delegation might submit to the Permanent Council. I have done this simply to provide a basis for your further consideration of the question and to indicate to you the new type of approach which I believe might be feasible. I am attaching four copies of the draft memorandum.

An important and difficult question of procedure will be involved in the preparation of the ministerial discussion. You will notice that the draft memorandum (paragraph 6) leaves the procedure undecided and states that we have an "open mind" on it. However, we will no doubt wish to give this matter very careful consideration. It would, I feel, be helpful to Ministers to have a background paper, prepared by the Secretariat, outlining what is being done now in O.E.E.C. and other organizations in the way of economic collaboration among member countries. The paper could go on to give a factual summary of some of the possible areas of conflict in the international economic policies of NATO countries, but this might be too delicate a subject for the Secretariat to handle. Whether or not such a paper could be examined by an ad hoc working group before presentation to the ministerial meeting is also open for consideration. I feel, however, that the question of preparation is one on which we should, in fact, have an open mind at this stage and one on which all Delegations should have an opportunity to comment before we take a firm line. My main point is that I do not feel that the decision on whether we should submit our general proposal contained in the memorandum need be held up over the question of procedure.

I am sorry to have had to go into this matter at such great length but I felt it was necessary because it is so difficult to convey the basic thought which led me to put forward the original proposal.

Yours sincerely,
L.D. WILGRESS

[PIÈCE JOINTE/ENCLOSURE]

*Projet de note de la délégation permanente
auprès du Conseil de l'Atlantique Nord*

*Draft Memorandum by Permanent Delegation
to North Atlantic Council*

SECRET

ECONOMIC COLLABORATION AMONG NATO COUNTRIES

The Canadian Delegation wishes to propose that an item entitled "Review of Economic Collaboration among NATO Countries" should be included in the agenda for the Ministerial Meeting of the Council to be held next December, when final action will be taken on the 1955 Annual Review.

2. It is the view of the Canadian Delegation that, just as an opportunity is provided at the ministerial meeting for an exchange of views on the current international situation, an opportunity should also be provided for a discussion of the subject of economic collaboration and avoidance of conflict in economic policies within the context of Article 2 of the North Atlantic Treaty.

3. This Article envisages several fields of co-operation between NATO countries. One of these is co-operation in regard to information policies and cultural relations, which is the field at present covered by the NATO Committee on Information and Cultural Relations. A Working Group on Labour Mobility has been considering the more specifically NATO aspects of questions relating to the movement of persons to supplement what is being done in other international organizations such as the International Labour Organization and the Inter-Governmental Committee for European Migration. It has been agreed that questions of social co-operation can best be dealt with by setting up ad hoc working groups to consider specific questions as they arise. Little or no attention, however, has been paid by the Council or by any of its standing committee to the second sentence of Article 2 of the Treaty, which provides that the Parties "will seek to eliminate conflict in their international economic policies and will encourage economic collaboration between any or all of them".

4. The reason usually given for this lack of attention to the field of economic co-operation has been that it is the prerogative of other bodies, which have a membership wider than NATO but with which most of the NATO countries are associated. The most important of these other bodies is the Organization of European Economic Co-Operation (O.E.E.C.), of which Canada and the United States are associate members and all of the other NATO countries are full members. Indeed, it was partly by reason of the provisions of Article 2 of the North Atlantic Treaty that Canada was made an associate member of this Organization in 1950. Other international organizations that come into question are the International Monetary Fund (I.M.F.), the Contracting Parties to the General Agreement on Tariffs and Trade (G.A.T.T.), the International Bank for Reconstruction and Development, and the Economic Commission for Europe (E.C.E.).

5. It is the view of the Canadian Delegation that, while these other organizations are the proper forum for the detailed examination of questions of economic co-operation, an opportunity should be afforded from time to time for the discussion of these questions in the NATO forum, because it is only in NATO that official cognizance can be taken of the economic provisions of Article 2 of the North Atlantic Treaty. It is for this reason that it is proposed that the December Ministerial Meeting of the Council should include the item referred to in paragraph 1 of this memorandum.

6. If the Council approves of the inclusion of such an item in the agenda for the Ministerial Meeting in December, the procedure for its preparation will also have to be considered. The Canadian Delegation has an open mind on this question, but possibly a factual summary might be prepared of what is being done now in O.E.E.C. and other organizations in the way of economic collaboration among NATO countries.

7. The Canadian Delegation presents this proposal for the consideration of the Council.

225.

DEA/50105-E-40

*Le représentant permanent auprès du Conseil de l'Atlantique Nord
au secrétaire d'État aux Affaires extérieures*

*Permanent Representative to North Atlantic Council
to Secretary of State for External Affairs*

CONFIDENTIAL

Paris, June 28, 1955

Dear Mr. Pearson,

ECONOMIC COLLABORATION UNDER ARTICLE 2:
ROLE OF NATO PARLIAMENTARIANS

In my letter of June 22 I set out suggestions relating to the question of economic collaboration under Article 2 of the North Atlantic Treaty, in which the key element would be in the inclusion of an item on this subject on the agenda of the Ministerial meeting next December. I have had some additional thoughts on this question, inspired partly by current preoccupations with the Conference of NATO Parliamentarians which will take place in the Palais de Chaillot from July 18 to 23. In this letter I shall outline these additional ideas for your consideration, although I should state at the outset that they relate to a course of action which clearly may have disadvantages as well as advantages and which may on analysis prove undesirable.

There are three preliminary considerations in my mind. The first is that governments are unlikely to be willing to make any serious move in the direction of implementing the economic provisions of Article 2, regardless of any discussion which might take place at the December meeting, unless public support for such a move was more coherent, better informed and more practical than I believe to be the case at present. The second consideration is that there is some evidence of support in certain European countries for an effort to make such a move, and if it is left to those countries to take the initiative, the project is likely to be regarded in many quarters as an attempt to institute a NATO "give-away" programme. Finally, there is the general question of the future role to be played by the parliamentary groups which are gathering together in Paris for the first time in July.

On the first of these preliminary considerations, that relating to public support for a closer collaboration of NATO governments in matter of economic policy, I fear that a Ministerial discussion next December without prior preparation extending beyond purely offi-

cial quarters might not take root. While it is true that in many NATO parliaments there would be a considerable measure of support for such a development, the support under present conditions would probably be idealistic, and based on general considerations that could be readily demolished by hard-headed opponents of the free and easy extension of national commitments in economic and related fields. If the support for such a move is limited largely to what I might call an idealist fringe, the majority of Ministers are unlikely to consider it desirable.

This faction would be strengthened if public initiatives in favour of such a move should be taken by governments only of countries most likely to profit materially. There would no doubt be ready support for such a plan from the Governments of Italy, Greece, Turkey, France and perhaps Portugal, and this very list in itself would probably prejudice opinion against the project in countries such as Canada, the United States, the United Kingdom, and possibly the Benelux countries. In this connection I have been very interested to read excerpts from a speech which Mr. Spaak delivered on March 23. I have seen no account of the complete speech, but I attach the page from the NATO Newsletter in which a digest is given. It would appear that Mr. Spaak is thinking seriously in terms of a new initiative relating to Article 2, and that he foresees an important role for NATO parliamentarians in this connection. You will notice particularly the following passage: "That is why I have come to ask myself if the conferring of *some official character* to these NATO parliamentarians who would be *kept advised in the most concrete manner possible* is a decision which should be rejected out of hand. I believe that it is a means of alerting public opinion". This speech of Mr. Spaak suggests to me in the first place that he would be prepared to consider sympathetically the suggestion I shall make below, and in the second place that he is preparing to take some initiative in this general direction on his own account.

Mr. Spaak's remarks bring me to the third of my preliminary considerations — the role of NATO parliamentarians. Governments have naturally been very cautious about according any official character or connection to the forthcoming meeting of parliamentarians. Nevertheless, it seems clear that some sort of continuing body will emerge, we would hope, in the relatively innocuous form of a federation of NATO parliamentary associations of the individual countries. Already the Canadian Group are planning to propose, at the forthcoming meeting, that there should be a discussion of "non-military co-operation". I am convinced that the majority of parliamentarians attending a gathering such as the one in July will be in favour of expanding Article 2 activities and will seek to establish some kind of continuing function in this field. In my opinion, however, if the parliamentarians are to discuss, as they intend to do, the non-military aspects of the Alliance, they will inevitably be led to concentrate their efforts on problems relating to economic co-operation under Article 2. The reason for this is that of the three main fields of co-operation envisaged by Article 2, e.g. information and cultural, social, and economic, the latter is the only one which the parliamentarians could study with reasonable hope of making a useful contribution. Information problems form the subject of continued studies in our Committee on Information and Cultural Relations and apart from the practicability and soundness of the ideas that may be put forward, the only real limitation is the amount of money which the governments are willing to spend on this type of activity. In the social field, I frankly do not see that NATO could do more than it does at present as social legislation and practices on the two sides of the ocean are too different to make real NATO co-operation in this field a practical goal. It is, therefore, to the field of economic co-operation between any or all of the NATO countries that the parliamentarians, in my estimation, are most likely to direct their attention.

On the basis of the considerations which I have outlined, it occurs to me that governments, or the Canadian Government in particular, might consider proposing that the "NATO Inter-parliamentary Association", or whatever continuing body may emerge, should look seriously into the question of the possible implementation of the economic provisions of Article 2. Such a proposal would, of course, imply that governments would be prepared to provide detailed and competent advice and information.

The more positive advantages of following that course can be summarized as follows:

(a) As I have said, it seems inevitable that NATO parliamentarians, following their first general conference in July, will continue to discuss economic co-operation within NATO, as indeed they are almost certain to do at the meeting itself. Such a discussion without active assistance from governments would probably be loose and unrealistic; but this in itself would scarcely ensure that specific recommendations or resolutions would not emerge. It is, therefore, in the interest of the various governments to ensure as far as possible that whatever conclusions may be agreed among the parliamentarians should be realistic and based on well-informed discussion.

(b) The assignment of such a task to a NATO parliamentary group would no doubt be immensely satisfying to the organizers of the Group, and would certainly encourage parliamentary support for NATO policies and activities in general. In particular, it would tend to build up parliamentary and, therefore, public support for whatever steps it may in fact prove possible to take toward an increase of economic collaboration among NATO countries.

(c) Governmental responsibility would not be directly engaged, and it would be very difficult for those NATO governments or ministers who oppose a direct governmental initiative in the matter to raise objections to its examination by a properly representative group of NATO parliamentarians.

(d) If it is true that a general study of the problem, and a study of which the results can be broadly publicized, is a prerequisite to actual governmental action, then it would appear that a NATO inter-parliamentary association would be ideal for the purpose. Their semi-official position and their considerable prestige in the public eye would make it easier for governments both to recognize the study itself and to provide possible confidential or semi-confidential information which would be necessary if the study is to serve a practical purpose.

I have outlined what I consider the principal arguments in favour of this suggestion. I recognize, of course, that it involves certain risks. One of these is that despite the discreet guidance which governmental recognition would permit governments to exercise in the course of the study, the conclusions reached by the parliamentarians might nevertheless be academic or irresponsible. I believe, however, that this particular risk of irresponsible conclusions concerning the subject of economic collaboration must be faced, whether or not governments lend assistance, and governmental assistance can only serve to reduce such a risk. A further hazard, one which I regard as purely academic, is that the parliamentarians might reach a negative conclusion on the subject. I think there is little or no prospect of this because I have the impression that the parliamentarians who participate in activities of this sort are likely in the great majority to be internationally-minded and to err on the side of too little rather than too much caution. Furthermore, if it should in fact appear that the parliamentarians did not consider increased economic collaboration to be desirable, then there is little or no hope that governments acting on their own initiative could develop and have accepted any useful programme to this end. If parliamentary support for such a programme cannot be obtained, it will surely be of advantage to governments to learn the fact

before they have in any way committed themselves. As I say, however, I think the risk of such a development is very slight.

What I have said above relates to a study of economic collaboration to be carried out by a NATO inter-parliamentary association. I would foresee such a development as a preparatory step leading ultimately, if all went well, to governmental action. Thus, I do not regard the suggestion in any way as an alternative to the proposal in my letter of June 22 for a discussion of this subject at a NATO Ministerial meeting, but rather as a complementary step. Indeed, it would no doubt be far easier to suggest to NATO Ministers that a useful discussion of this matter could be held next December if in the meantime there were to develop an active parliamentary interest in the question in their various countries.

I should be grateful for your preliminary views on this suggestion. I shall, no doubt, have the opportunity of discussing the matter further with you when you are in Paris for the Ministerial meeting on [July] 16.

Yours sincerely,
L.D. WILGRESS

226.

DEA/50105-E-40

*Note du sous-secrétaire d'État suppléant aux Affaires extérieures
pour le secrétaire d'État aux Affaires extérieures*

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

CONFIDENTIAL

[Ottawa], July 12, 1955

ECONOMIC COLLABORATION UNDER ARTICLE 2
OF THE NORTH ATLANTIC TREATY

I enclose copies of Mr. Wilgress's letters of June 22 and June 28 on questions relating to Article 2. I thought you might wish to take copies of the two letters with you since you will no doubt have an opportunity to discuss Mr. Wilgress's suggestions with him.

2. These were briefly:

(a) that an item on the subject of economic collaboration under Article 2 be included in the agenda for the December Ministerial meeting;

(b) that you take the lead in the discussion of the item;

(c) that the NATO inter-parliamentary association or whatever continuing body may emerge from the forthcoming meeting of parliamentarians should "look seriously into the question of the possible implementation of the economic provisions of Article 2", with detailed advice and information from governments.

3. Mr. Wilgress regards the first and third suggestions as complementary in the sense that the proposed study by a NATO inter-parliamentary association would be a preparatory step leading ultimately to governmental action. The two suggestions do not, however, seem to be necessarily interdependent.

4. On the basis of the political factors there is undoubtedly a good deal of merit in Mr. Wilgress's suggestion that a determined effort should now be made to develop Article 2. You will recall that Mr. Charles Ritchie recently emphasized the importance of this in relation to Germany. From an economic point of view, objections were raised to Mr. Wilgress's first proposal, in its original form, by the Departments of Finance and Trade and

Commerce. He has now clarified his proposal, however, and I would hope that in something like its present form it might prove acceptable to the other interested departments. It has occurred to us that one possible modification might be to table for this item simply the Annual Report of the O.E.E.C., perhaps with a brief explanatory note by the NATO Secretariat. On your return, if you agree, we might consider how best to present the proposal to the other departments concerned.

5. At that time too you might wish to indicate whether, if the first proposal were adopted, you would be prepared to introduce the discussion on this item in the Council.

6. As regards Mr. Wilgress's third proposal, while I think he is quite correct in thinking that the parliamentarians will continue to discuss economic co-operation in NATO, with or without governmental sanction and assistance, I am not altogether clear as to the method he has in mind. The sort of inter-parliamentary association envisaged in the resolution of the Canadian parliamentarians, for example, would be so loosely organized and would meet so infrequently that it is not easy to visualize it making a serious collective "study" of such a subject. In any case it is difficult to reach any firm conclusions on this suggestion until we see what develops in the meetings of parliamentarians to take place next week. You may recall that Mr. Wilgress himself will be speaking to the parliamentarians on co-operation in the cultural, informational and related fields. Lord Ismay intends to make some reference in his introductory briefing to political consultation and emergency planning activities. Perhaps from the discussions some proposals will emerge which could be subsequently developed.

R.M. M[ACDONNELL]

227.

DEA/50105-E-40

*Le secrétaire d'État aux Affaires extérieures
au ministre des Finances*

*Secretary of State for External Affairs
to Minister of Finance*

CONFIDENTIAL

[Ottawa], September 26, 1955

My dear Colleague,

ARTICLE 2 OF THE NORTH ATLANTIC TREATY

As you know, for some time now I have been considering what action might be taken to develop the non-military aspects of NATO. It is my view that this matter is of particular importance at the present time when the tactics of the Soviet Government are reducing the sense of military threat and thereby tending to weaken the incentives for the continuation of NATO as a military alliance. To help meet this very real danger I believe the NATO Ministerial Council should have an item on its agenda which would provide an opportunity for individual Ministers to comment informally, as they might see fit, on the adequacy of current economic policies and international arrangements. The aim *would not* be to arrive at any agreed conclusions, to set up new economic machinery or to detract from the functions of existing organizations. It *would* be to invoke explicitly in the NATO Council the positive statement of international policy contained in Article 2 which requires member countries to "seek to eliminate conflict in their international economic policies and ... encourage economic collaboration between any or all of them."

In making this suggestion I am, of course, well aware of the reservations which we all have had in the past regarding the propriety or wisdom of regarding NATO as an instrument for action in the field of economic and commercial policy. Perhaps, therefore, it would be appropriate for me to emphasize at the outset of this letter my agreement that a regional approach to any general economic question is undesirable and my conviction that NATO is not, at least at the present time, an appropriate organization for taking action in the economic or commercial policy field. What I have in mind, however, is discussion by Governments on their respective policies and not an attempt to reach a common or a "NATO approach". The very fact that the membership of NATO does not provide a suitable basis for an economic organization (especially since it contains such divergent economic views and interests as evidenced by recent OEEC discussions) would seem to make it extremely unlikely that any one would try to convert NATO into a regional economic arrangement. It would, therefore, seem possible to use NATO as an instrument for reinforcing our broader multilateral approach to economic problems — an approach which is most in keeping with the objectives of Article 2 since it is most likely to avoid conflicts in economic policies among the European and North American members — without any real risks that someone would divert the discussion in the direction of regionalism.

Not only does there seem to be no likelihood that the initiation of economic discussions in NATO would encourage the formation of an unworkable regional economic arrangement for the NATO area but such discussions might well have a restraining influence on tendencies towards uneconomic regionalism in Europe. Some of the Europeans who are quite vocal in supporting the establishment of a discriminatory régime for Europe (for all the European members of the OEEC or for the six members of the ECSC) might find it less appropriate to express such views in a NATO Ministerial meeting where U.S. and Canadian Ministers would be present as full participants and where the conflict of such proposals with the objectives of NATO would be readily apparent. If, of course, there were proposals of a regional character which served some overriding political purpose in which NATO as a whole had a substantial interest (for example, if they were essential to the solution of the numerous problems presented by the position of Germany in Europe), it would be well for such proposals to be aired in the NATO forum and to be examined critically there where their impact on other countries could be carefully weighed.

It seems to me quite conceivable that the type of NATO discussion which I envisage might, in the light of the common defence and political interests of the different members of NATO, encourage some of the less responsible members to reconsider their present attitudes towards import restrictions and towards certain regional projects which they may now have in mind. As noted above, we, in turn, might conceivably be asked to condone regional arrangements in some special cases but we should not find such suggestions embarrassing since, in the NATO context, we could not reasonably be expected to give our blessing to any such arrangements unless they clearly served the objectives of NATO — which could hardly be true of any arrangement to which we could legitimately object.

The suggestion which I am making has already been discussed with officials of your Department. If this matter is to be raised in the NATO Council, it would seem to be most important that we should simultaneously circulate an explanatory memorandum which would make our intentions clear and avoid possible impressions that Canada was contemplating substantial activity in the general economic field by NATO itself. Attached is a draft memorandum which might be suitable for this purpose. If our proposal is acceptable to other NATO countries, we would expect that some discussions on economic subjects might take place at the next Ministerial meeting of the Council which is to be held in Paris in December.

I should be grateful if you would let me know as soon as possible whether you are in agreement with the course proposed. Subject to your comment, I shall instruct Mr. Wilgress to place our proposal before the NATO Council as soon as possible. If it is accepted, it will, of course, be necessary for us to prepare ourselves for the discussion of general economic matters which might then be expected to take place at the December meeting of the NATO Ministerial Council.

Yours sincerely,

L.B. PEARSON

P.S. I think the course which I have suggested in this letter would still be appropriate despite the way the discussions proceeded in our Joint Committee today. In fact, the attitude of U.S. Ministers, as evidenced by their statements this morning, might make it all the more desirable that these matters be aired occasionally in the NATO forum.¹¹²

[PIÈCE JOINTE/ENCLOSURE]

*Projet de note de la délégation permanente
auprès du Conseil de l'Atlantique Nord*

*Draft Memorandum by the Permanent Delegation
to North Atlantic Council*

CONFIDENTIAL

ECONOMIC DISCUSSIONS AT NATO COUNCIL MEETINGS

The Canadian Delegation wishes to propose that an item entitled: "Article 2: Economic Collaboration and Avoidance of Conflict in Economic Policies" should be included in the agenda for the Ministerial meeting of the Council to be held next December. The Canadian Delegation would suggest that in the light of any discussion on this subject at the December meeting it might be found desirable to include a similar item as a regular feature on the agenda for subsequent Ministerial meetings of the NATO Council.

2. It is the view of the Canadian Delegation that, just as an opportunity is provided at Ministerial meetings for an exchange of views on the current international situation, provision should also be made for a discussion on economic collaboration and avoidance of conflict in international economic policies within the context of Article 2 of the Treaty.

3. This Article envisages several fields of co-operation between NATO countries. One of these is co-operation in regard to information policies and cultural relations, which is the field at present covered by the NATO Committee on Information and Cultural Relations. A Working Group on Labour Mobility has been considering the more specifically NATO aspects of questions relating to the movement of persons to supplement what is being done in other international organizations such as the International Labour Organization and the Inter-Governmental Committee for European Migration. It has been agreed that questions of social co-operation can best be dealt with by setting up ad hoc working groups to consider specific questions as they arise. Little or no attention, however, has been paid by the Council or by any of its standing committees to the second sentence of Article 2 of the Treaty, which provides that the Parties "will seek to eliminate conflict in their international economic policies and will encourage economic collaboration between any or all of them."

¹¹² Voir/See Document 407.

4. This absence of emphasis on economic questions within NATO is probably not surprising and should not necessarily be interpreted as reflecting a lack of regard for this portion of Article 2. Many of these matters have been receiving attention in other bodies and member countries have doubtless had the objectives of this Article in mind when participating in the work of those bodies and when framing their own policies on international economic subjects.

5. In this connection, the Canadian Delegation is, of course, familiar with the activities in this field of the Organization for European Economic Cooperation (OEEC), and recognizes the relationship between these activities and the principles set out in Article 2. Indeed, it was partly by reason of the provisions of that Article of the North Atlantic Treaty that Canada was made an associate member of the OEEC in 1950. The Canadian Delegation also realizes that many of the subjects which might be regarded as coming within this provision of the Treaty can best be dealt with on a basis broader than that provided by NATO: for instance, through the International Monetary Fund, the Contracting Parties of the General Agreement on Tariffs and Trade, the International Bank for Reconstruction and Development, and various U.N. bodies.

6. In suggesting this new item for the agenda of the Ministerial Council Meeting, the Canadian Delegation is not envisaging any new international economic machinery and is not wishing to detract in any way from the functions of these existing organizations. It would be hoped that a general discussion of this item periodically within NATO would increase the effectiveness of these organizations in serving the purposes set forth in Article 2. The object of the Canadian Delegation in proposing the inclusion of this item in the agenda for the forthcoming meeting and probably for subsequent annual meetings of the Ministerial Council is a very simple one. It is merely to provide an occasion for individual ministers to comment as they might see fit on the adequacy of current economic policies and international arrangements, to fulfil the purposes of Article 2 in the situation existing at that time or anticipated in the period ahead. It would not seem prudent for the Council to assume that such policies and arrangements will necessarily be appropriate in situations which may change considerably from time to time unless attention is directed to these matters occasionally and ministers are provided with an opportunity to express any judgments which they may have reached.

7. The Canadian Delegation would not expect that much preparation by the Organization as a whole would be required for the discussion of this item (although the Secretariat might prepare a factual summary of what is being done now in OEEC and other organizations involving economic collaboration among all or none of the NATO countries). The content of the discussion might be left to the discretion of particular Ministers at the time of the meeting. Neither would the Delegation anticipate that the Ministerial Council would aim to arrive at any definite conclusions as a result of its consideration of this item. The discussion might, in fact, be most fruitful if it was to be regarded as an informal exchange of views designed to let the various Ministers know what others may be thinking about these subjects.

8. It follows from this approach to the topic that it would be undesirable to set any precise limits to the scope of the item. Some Ministers might wish to comment on economic prospects generally and their relevance to the future of NATO. Other Ministers might want to review current international trade and financial policies and the functions of existing organizations. Still others might be inclined to discuss economic relations between NATO countries and those in the Soviet group. Several Ministers might think it desirable to examine what NATO countries individually are doing to assist the economic develop-

ment of these countries whose economies are relatively undeveloped. Numerous other aspects of the general subject might be proposed by one Minister or another.

9. The Canadian Delegation presents this proposal for the consideration of the Council.

228.

DEA/50105-E-40

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

*Secretary of State for External Affairs
to High Commissioner in India*

TELEGRAM E-712

Ottawa, October 21, 1955

CONFIDENTIAL

Repeat Paris E-1092; London E-1759; Washington E-1808.

ARTICLE 2 OF THE NORTH ATLANTIC TREATY

Following for the Minister.

The Ministers of Trade and Commerce and Finance have now replied to your letter of September 26 dealing with your proposal that Mr. Wilgress should introduce a resolution calling for a discussion of international economic problems at the December Ministerial Meeting of the Council.

2. In his reply Mr. Howe shares your concern over lack of new initiatives in the general field of International Economic Relations and states that "if you should find ... that there is any real chance of producing new and positive initiatives out of discussions in NATO I would be most enthusiastic about the effort being made". Mr. Howe goes on to express some doubt, however, that NATO discussions would be effective "in altering the policies of any of the major trading countries or in persuading them to produce new and constructive initiatives". He suggests that if U.S. Minister said the same things in Paris as they said here "the effect upon various European countries might be quite unfortunate indeed". He concludes his letter in the following terms "you may consider these dangers of sufficient weight to render it preferable to defer the approach you are considering until a more auspicious time. I am quite happy, however, to leave the tactical decision in your hands as to whether you should take this new initiative at NATO. If it appears that the American response would be positive and constructive, I would see no great danger of harm being done and quite possibly a great deal of good".

3. Mr. Harris is also prepared to accept your judgment. But he suggests that U.S. Secretaries in Paris in December might be even more outspoken and less ready to be influenced by the views of others than they were here. And with the U.S. and the U.K. marking time, representatives of other countries might feel more rather than less disposed towards restrictions and regionalism. Mr. Harris also points out that if we put the item on the agenda we will be expected to lead the discussion and it might be "very difficult at this juncture either to attack or to support the U.S. representatives".

4. If we are to propose "economic" discussions in December our Delegation should be instructed to move forward as soon as possible. You may consider that, despite the rather lukewarm support which Mr. Howe and Mr. Harris have given, little could be lost and a great deal might be gained from attempting the positive approach you have suggested. If our proposal is made (and accepted) I would hope that the Americans would themselves

realize (although we may have to remind them in advance) the need to highlight in Paris the more attractive features of their International Economic and Commercial Policy. Please let me know whether you wish any action to be taken prior to your return to Ottawa.

[J.] LÉGER

229.

DEA/50105-40

*Note du sous-secrétaire d'État aux Affaires extérieures
pour le secrétaire d'État aux Affaires extérieures*

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

CONFIDENTIAL

[Ottawa], November 23, 1955

ARTICLE 2 OF THE NORTH ATLANTIC TREATY

In three recent messages† from Paris (copies of which are attached), Mr. Wilgress has indicated that,

(a) Lord Ismay is planning that there should be before Ministers at the December meeting a memorandum on Article 2 activities, stressing political consultation, and

(b) the Italian Delegation has proposed an agenda item on "The Implementation of Article 2".¹¹³ Just what the Italians have in mind is not at all clear: Mr. Wilgress has suggested that they wish to emphasize "burden sharing".

2. In order to provide Mr. Wilgress with instructions, I have prepared for your consideration the attached self-explanatory telegram. If our position is accepted, there would be an opportunity for Canadian Ministers to make general statements outlining in rather broad terms our own position, particularly with respect to the possible pitfalls of a European regionalist approach to international economic problems and the desirability of ensuring that any regional arrangements are consistent with the broader interests of all NATO countries.¹¹⁴

J. L[ÉGER]

¹¹³ Note marginale :/Marginal note:

Immigration [?] [L.B. Pearson]

¹¹⁴ Notes marginales :/Marginal notes:

Para[graph]. 4 might be somewhat blunt. I should like to discuss this with you if you have a moment. [Jules Léger]

Under-Secretary. Mr. Pearson doesn't think Para[graph] 4 too blunt, but if you wish to change it, or speak to him about it, he is agreeable. Dec[ember] 1/[19]55 L[ois] McIntosh.

[PIÈCE JOINTE/ENCLOSURE]

*Le secrétaire d'État aux Affaires extérieures
au représentant permanent auprès du Conseil de l'Atlantique Nord*

*Secretary of State for External Affairs
to Permanent Representative to North Atlantic Council*

TELEGRAM E-1209

Ottawa, December 1, 1955

CONFIDENTIAL

Reference: Your Telegrams 1209 of October 21† and 1338 of November 21.†
Repeat Paris E-1209; London E-1946; Washington E-2034.

ACTIVITIES UNDER ARTICLE 2 OF THE NORTH ATLANTIC TREATY

While we remain persuaded of the political importance of having some discussion at the Ministerial Council meeting in December on the implications of Article 2, we had been coming in recent weeks to the view that it might be impracticable and possibly undesirable to encourage a substantial discussion at the forthcoming meeting regarding the economic aspects of Article 2. It appeared that any discussion which might take place at that time would probably be rather unbalanced and might have the effect of giving aid and comfort to those who were favouring economic policies inimical to NATO. In the light of our exchanges with the United States it seemed evident that their representatives at the December meeting could scarcely be counted on to take a constructive line. The United Kingdom, obsessed with its own economic difficulties, would presumably not be as vigorous as one might have hoped in advocating the broader approach. The Belgians, preoccupied with their current difficulties in the GATT, would probably be pretty negative in their attitude. Only the European regionalists would be likely to have anything very concrete to offer. The occasion did not therefore seem very auspicious for a balanced examination of international economic policies. Moreover, in view of the facts brought to light in this year's annual review, and the recent Defence Minister's meeting,¹¹⁵ and since the Foreign Ministers conference at Geneva, there is less reason to expect any tendency to accept a weakening of the Alliance. Finally, as the agenda for the December meeting took shape it became apparent that Ministers would have a very full meeting and it would be difficult to find an opportunity for anything like a thorough discussion of the economic aspects of Article 2.

2. While we had more or less concluded that a substantive discussion might not take place at this time, we still felt that there would be merit in giving some attention to this subject at a meeting which was likely to be dominated otherwise by military considerations. In any event we felt that Ministers should consider at the December meeting whether it would be appropriate and useful at subsequent meetings to provide an opportunity for an exchange of views on the economic situation and on international economic relations.

3. We are not certain whether the item proposed by the Italians would be suitable for the kind of preliminary discussion which we now have in mind. If they are intending to promote ideas under this heading which we could not support it would obviously not be desirable for us to become associated with their proposed item. On the assumption that this item will open up a general discussion on Article 2, we would think that our approach might be accommodated under the Italian item, although the title might be altered somewhat to

¹¹⁵ Voir/See Documents 217-218.

make it sufficiently broad. In that case you may wish to circulate to your colleagues on the Permanent Council a paper along the lines of our earlier revision¹¹⁶ on your memorandum concerning "economic discussions of NATO Council meetings" with the following additional changes:

(a) Revise paragraph 1 to read:

"The Canadian Delegation welcomes the inclusion of a general item regarding Article 2 in the provisional agenda for the forthcoming ministerial meeting of the Council. One of the aspects of this article to which the Canadian Delegation would hope Ministers might give some attention is the provision having to do with economic relations. It would scarcely be practicable at the December meeting to undertake a very thorough discussion of this subject. This ministerial meeting might wish, however, to consider whether it would be desirable to envisage a substantial discussion on the economic situation and on international economic relations as a regular feature of future ministerial council meetings."

(b) You will be aware that in paragraph 5 the words "was made" are to be replaced by "became" and in paragraph 7 the words in brackets are to be deleted.

(c) The first sentence of paragraph 6 should read: "In suggesting periodic discussions on the current international economic situation at ministerial council meetings, the Canadian Delegation ...". The third sentence should read: "The object of the Canadian Delegation is a very simple one."

(d) The following sentence might be added at the conclusion of paragraph 8: "It might be thought practicable and desirable, even as early as the meeting of the Council this December, to invite one of the European Ministers concerned to report on recent developments resulting from the Messina Conference. Such a report would presumably be intended for the information of the individual members of the Council."

4. As you will see, we would think it appropriate to give some encouragement to the idea of a report from Mr. Spaak. If, in fact, he makes such a report on the various Messina integration projects, we would expect that our Ministers would wish to mention some of the possible dangers involved in a limited regional approach and to express the hope that those participating in this exercise would have continuously in mind the importance, for themselves and for NATO, of broader economic relationships.¹¹⁷

5. Incidentally, we do not believe that the Italian initiative should occasion a discussion in the Permanent Council on the interpretation of Article 2. We have ourselves regarded this article as a general non-military article and not one solely related to economic questions. We would be inclined to consider that the general political consultations which have been taking place have in fact been under the auspices of that article rather than Article 4, since the latter seems to us to relate to consultations of a much more specific nature. We doubt that for present purposes, however, it is really necessary to attempt to define the scope of Article 2 too precisely. We do agree with you that it would be stretching Article 2 very considerably to bring in burden-sharing and that the appropriate article under which to discuss this subject (insofar as any article in appropriate) is Article 3.

¹¹⁶ Voir la pièce jointe au document 227./See attachment to Document 227.

¹¹⁷ Pour connaître le point de vue du Canada sur l'intégration européenne, voir le document 494. For a Canadian assessment of European integration, see Document 494.

230.

DEA/50105-40

*Le représentant permanent auprès du Conseil de l'Atlantique Nord
au secrétaire d'État aux Affaires extérieures*

*Permanent Representative to North Atlantic Council
to Secretary of State for External Affairs*

TELEGRAM 1425

Paris, December 5, 1955

CONFIDENTIAL

Reference: Your telegram No. E-1209 of December 1/55.

Repeat London No. 183; Washington No. 84.

ACTIVITIES UNDER ARTICLE 2 OF THE NORTH ATLANTIC TREATY

After careful consideration we have forwarded our memorandum on economic discussions at NATO Council meetings to Lord Ismay with a request that it be circulated for the information of members of the Permanent Council but not as a document to be put before Ministers. Since the last meeting of the Permanent Council prior to the ministerial meeting takes place on Wednesday, December 7, we felt this would not provide sufficient notice for a discussion on the memorandum to take place prior to the ministerial meeting. In these circumstances we thought it best to delete para 9. I shall, however, take the opportunity provided by the private meeting of the Council to explain our reasons for circulating the memorandum.

2. In addition to the amendments to the memorandum contained in your telegram under reference and in consideration of the views contained in para 5 of your telegram, we have included an additional amendment relating to political consultation at the beginning of para. 3. It now reads as follows:

“This article envisages several fields of co-operation between NATO countries. One of the most encouraging developments that has taken place, in fields other than military, has been the recent marked development of the habit and practice of regular political consultations amongst the members of the Alliance. A committee of the organization is covering co-operation in regard to information policies and cultural relations. A Working Group on labour mobility has been considering the more specifically NATO aspects of questions relating to the movement of persons to supplement what is being done in other international organizations such as the International Labour Organization and the Inter-Governmental Committee for European migration ...”¹¹⁸

L.D. WILGROSS

¹¹⁸ Pour un compte rendu de la discussion ministérielle à ce sujet, voir le document 237.
For the discussion of this subject at the Ministerial meeting, see Document 237.

10^e PARTIE/PART 10

RÉUNION MINISTÉRIELLE DU CONSEIL DE L'ATLANTIQUE NORD, PARIS,
15-16 DÉCEMBRE 1955
MINISTERIAL MEETING OF NORTH ATLANTIC COUNCIL, PARIS,
DECEMBER 15-16, 1955

231.

DEA/50107-E-40

*Le sous-secrétaire d'État aux Affaires extérieures
au représentant permanent auprès du Conseil de l'Atlantique Nord*

*Under-Secretary of State for External Affairs
to Permanent Representative to North Atlantic Council*

LETTER DL-841

Ottawa, November 17, 1955

TOP SECRET

NATO ANNUAL REVIEW, 1955

A meeting of the Panel on the Economic Aspects of Defence Questions was held here last Tuesday, November 15,¹¹⁹ to consider the various Annual Review problems on which you had requested instructions and to give some preliminary consideration to what briefing should be prepared for the Ministers prior to the December meeting. As a result, it was decided that four brief background papers would be compiled for further consideration by the Panel in about ten day's time with a view to submitting them to the Cabinet Defence Committee for study by those Ministers concerned with the 1955 NATO Annual Review.

2. This Department had already prepared the attached paper on the "Current Military Situation of the Atlantic Alliance" based largely on the reports of the October Defence Ministers' Conference.¹²⁰ The Panel asked us to assume responsibility for doing the first of the four papers agreed upon and it was considered that the attached paper, possibly with some revisions, might serve the purpose. In essence, it is to be a general position paper on the present condition of NATO. I should be grateful if you would examine the attachment carefully and wire your comments and suggested revisions as soon as possible and, in any event, to reach us by next Wednesday at the latest. I would draw your particular attention to the last paragraph in which we had endeavoured to arrive at some general conclusions. We would value greatly your views on these and any others which you think might usefully be added to a paper of this nature which is primarily intended to focus the attention of our Ministers on the NATO picture with which they will be confronted at the December meeting.

3. The other three papers to be prepared are on the following subjects:

(1) Reassessment and Priorities (by National Defence);¹²¹

¹¹⁹ Pour un extrait du procès-verbal de cette réunion, voir le document 153.

For an extract from the minutes of this meeting, see Document 153.

¹²⁰ Voir au document 218, le compte rendu de la réunion des ministres de la Défense.

For a report on the Defence Ministers' meeting, see Document 218.

¹²¹ Pour le texte final de ce document, voir le document 234.

For the final text of this paper, see Document 234.

(2) Infrastructure and Common Financing (by Finance Department);¹²²

(3) Mutual Aid (by National Defence).¹²³

All Departments concerned will, of course, be consulted in the preparation of these papers. Any views which you may wish to put forward on these subjects would also be appreciated.

G. IGNATIEFF
for Under-Secretary of State
for External Affairs

[PIÈCE JOINTE/ENCLOSURE]

Note

Memorandum

TOP SECRET

[Ottawa], November 10, 1955

CURRENT MILITARY SITUATION OF THE ATLANTIC ALLIANCE

A disturbing picture of the present military situation of the Atlantic alliance is emerging from the annual stock-taking now in progress. It is already evident that when Ministers meet in December to decide on force goals and to deal with the recommendations in the Annual Review, they will be confronted with the necessity for difficult decisions, some of which may have far-reaching strategic and political consequences.

2. It is not the political intentions of the Soviet Government which are causing most concern to the NATO civil and military staffs. Provided that an adequate deterrent in land, sea and air forces is maintained, and provided that there is tangible evidence of determination in NATO to use such forces should the need arise, the NATO staffs believe that the Soviet leaders will wish to avoid war in the foreseeable future.

3. The balance of capabilities, however, is tilting against the Atlantic community as the milder tactics of the Soviet leaders, and the growing public feeling that no nation will deliberately run the terrible risks of all-out nuclear warfare, produce a relaxation of effort on the part of the NATO countries. Already this has gone so far that the military threat in the estimation of the NATO commanders, is greater than ever before. Unless checked, the imbalance will necessitate a fundamental change in NATO strategy.

4. No evidence whatsoever of any slackening of Soviet effort in the development of her military capabilities is known to the NATO staffs. On the contrary, the indications are that Soviet forces are being persistently and appreciably strengthened. In ground forces their numerical strength (which has always been superior to that of the West) is being maintained, and more important, their equipment and weapons have been brought up to date, particularly through reorganization of their tank and mechanized divisions. Soviet naval strength has been improved by modernizing existing ships and by increasing the number of cruisers, destroyers and particularly submarines. These ships and submarines are not in reserve, like so many of the Allied units, but fully manned and ready for war. Every Soviet warship and submarine, and every maritime aircraft, is fitted to lay mines, and the Russians have the capability of arming their torpedoes with atomic warheads. Soviet air power has

¹²² Pour le texte final de ce document, voir le document 157.

For the final text of this paper, see Document 157.

¹²³ Pour le texte final de ce document, voir le document 154.

For the final text of this paper, see Document 154.

made tremendous strides and, most significantly, a long range air force has been developed which is capable of bringing every NATO country, in North America as well as in Europe, simultaneously under direct nuclear attack. The NATO military authorities believe that the Soviet Union is years ahead of previous estimates in aircraft design and production, as well as in the atomic field. In the light of these previous underestimates they think that it would be foolhardy to assume any lag in the Soviet development of guided missiles.

5. The NATO forces, on the other hand, are considered to be increasingly deficient in both quantity and quality to meet this threat. Under present national programmes the overall force levels planned for 1956 will not be met even by the end of 1958. The German contribution, which it had been hoped would be available in 1957, will be delayed at least two years. Thus two of the major assumptions on which present NATO military planning for Europe is based are not being realized. In quality there has been only a little improvement in this theatre since a year ago, when SACEUR estimated that over 1/3 of the army M-day units and well over 1/2 of the air force units were not fully effective for combat. The withdrawal of regular French divisions for service in North Africa¹²⁴ and the dispute between Greece and Turkey have been further weakening factors. Most serious of all the European problems, however, in the view of the NATO staffs, is the absence of any effective system of air defence, and in particular of any overall early warning system. Air defence in Europe has remained a national responsibility. The NATO military authorities are strongly of the opinion that it is essentially an international problem; indeed, SACEUR has emphasized that in his view the air defence system of NATO must be considered as a *global* problem, with the North American and European systems complementing each other. The reason he gave for this opinion was that an attack on one of the two systems could be used to give warning to the other. Underlying the concept, of course, is the conviction of the military authorities that the air defence of NATO must rest on its capacity for immediate retaliation.

6. The situation in Allied Command Atlantic, as reported by SACLANT, is no less disturbing than the situation in Allied Command Europe. The Soviet Navy has now more submarines than all other nations combined, and nearly as many as the total number of D-day NATO ocean escorts. The protection for a 50 to 80 ship convoy could be no more than 0 to 3 escorts, a most discouraging prospect when seen in terms of long-endurance submarines equipped with long-range torpedoes having atomic warheads. There are ever-increasing shortages even in anti-submarine aircraft which now provide a large part of the available protection force. In discussing his plans for dealing with the immediate threat at sea, SACLANT attached particular importance to the vital requirement for blocking the Baltic exits immediately and completely, to prevent egress of Soviet naval forces.

7. One principal strategic conclusion is drawn by the NATO commanders from this picture of a growing imbalance of strength. It is that if the present shortages, both quantitative and qualitative, are not corrected, it will be necessary to abandon the forward strategy (involving defence of the Ruhr and blocking of the Baltic exits) and to adopt instead a rearward strategy. SACEUR told the Defence Ministers that he was convinced this would be disastrous from a military as well as from a political point of view. To emphasize his concern, General Gruenther said that if there were any relaxation of effort on the part of NATO, or any weakening in the unity of NATO countries, it would certainly not be true to say that then the Soviet forces could surely be defeated if they were to attack.

¹²⁴ Voir/See Document 193.

8. The inter-relationship of the military problems of the alliance has been repeatedly emphasized by the NATO commanders. SACLANC put the case succinctly to the Defence Ministers when he said that it was impossible to assess the relative importance of the defence of Europe, the defence of the Atlantic, and the defence of North America, because the successful achievement of each was indispensable to the others.

9. The general recommendation which seems likely to emerge from the Annual Review is that a reappraisal and readjustment of the total defence effort of the Atlantic alliance is urgently necessary, for the following reasons:

(a) presently planned forces are inadequate to provide effectively for the defence of the NATO area in the light of constantly increasing Soviet capabilities;

(b) present national programmes do not provide fully even for the long-term maintenance of the forces now planned;

(c) large increases in defence expenditure would be required to overcome existing, critical deficiencies and also to implement the integrated atomic strategy, which is of cardinal importance;

(d) in the present international climate, such large increases in defence expenditure are unlikely;

(e) priorities must, therefore, be established to ensure that what is most important under the concept of atomic war is provided, if necessary at the expense of other elements.

10. It seems to be the consensus of opinion that the procedure adopted last year, by which the NATO military authorities would advise on priorities when requested to do so by member countries, has proved inadequate and unsatisfactory. The Standing Group is accordingly now working on a study of machinery for producing priorities for nations. They expect to present their recommendations to Ministers at the December meeting. A suggestion made by some countries, that a working group be set up immediately in Paris, where it could be given full political as well as military guidance, was not generally acceptable.

11. The implications of creating an effective system for the international "production" of national defence priorities are obviously of the highest importance. An extension of the principle of common responsibility is involved which was certainly not contemplated when nations agreed to integrate certain of their forces. It is, however, arguable that the situation revealed by the current appraisal makes such an extension a vital requirement of Western security. Until the implications have been more carefully studied, and until Ministers have had an opportunity to consider such specific proposals as may emerge at the December meeting, any firm expression of Canadian opinion would be premature. Two considerations of a general nature may, however, be suggested: (a) a continuation or extension of the recent tendency of NATO countries to take unilateral decisions without full regard for the overriding importance of maintaining the collective deterrent would imperil what has been attained so far; (b) so far as Canada is concerned, the evident interest of our European partners in maintaining the flow of North American aid to the defence of Europe, no less than our joint interest with the United States in the defence of North America, make it imperative that we coordinate even more closely than in the past with the United States our policies and attitudes on the defence problems of the Atlantic Community.

232.

DEA/50102-M-40

*Le représentant permanent auprès du Conseil de l'Atlantique Nord
au secrétaire d'État aux Affaires extérieures*

*Permanent Representative to North Atlantic Council
to Secretary of State for External Affairs*

TELEGRAM 1368

Paris, November 26, 1955

TOP SECRET

PREPARATION FOR THE FORTHCOMING MINISTERIAL MEETING

In our view, the basic issue facing the forthcoming ministerial meeting is that described in the first recommendation of the International Staff to the General Chapter in this year's Annual Review Report (Document C-M(55)101), where reference is made to the need for the Council to "consider in the light of the above conclusions how the defence effort of the alliance and of each country can best be adjusted to achieve the basic objectives of MC 48, within the resources likely to be available;". This basic problem is also described in paras 23 and 24 of the General chapter itself, and as you know, has been the subject of discussion recently in the Permanent Council under the general heading of follow-up to the October Defence Ministers' Meeting.

2. In view of the foregoing, we hope that a paper will be prepared in Ottawa which would be of assistance to the appropriate Ministers in assessing:

(a) The Canadian interests and responsibilities in respect of the current situation (in which the build-up at required effectiveness has not been adequately achieved) against the background of Canada's undertaking and commitments in respect of this build-up.

(b) The relative Canadian interests and responsibilities in Europe and North America in respect of the requirements which will evolve from the concepts of the MC.48 series.¹²⁵

3. The basic problem referred to in para 1 is likely to be interpreted by European members of the alliance as referring primarily, if not exclusively, to the defence of Western Europe. Regarding the defence of Western Europe by Western European countries, there are shortfalls in the build-up to which these countries have committed themselves, over and above the new requirements which evolve from the concept of M.C.48. In spite of the improved economic situation in Europe, the European countries feel that they cannot be expected to increase, or even perhaps to maintain, the present level of outlays on defence. There is a developing momentum behind the thesis that the resources required to rectify the short-falls and to meet the implication of M.C.48, must be met by European countries to the extent possible by the release and reallocation of resources now being utilized on low military priorities (this to be done through a process of reorganization and readjustment of force goals), and that the means required to eliminate material deficiencies must come from North America. If the required resources are not forthcoming from these two sources, it means that European countries must face up to the prospect of either altering their present decision concerning levels of defence expenditures or of SACEUR altering present NATO military plans including the forward strategy with the political ramifications this would involve.

¹²⁵ Voir/See Document 215.

4. Preliminary NATO military thinking, as expressed in the draft comments of the Military Representatives Committee on the 1955 Annual Review Report, indicates that on the part of the NATO military authorities there might not be much, if any, pressure for North American assistance, beyond that already planned, to bring present forces to the level of strength and effectiveness on which NATO military planning for the defence of Western Europe has been based. The draft comments state that "with little or no increase in current levels of defence expenditure, it is conceivable, through appropriate adjustments for NATO defence forces to attain the equivalent fighting value envisaged by the 1956 planning goals in the 1953 Annual Review". It would appear, however, that "appropriate adjustments" leave no room for adjustments which might arise from a re-assessment, for instance by Canada, of the relative priority of Western Europe and North American defence, which might affect Canadian allocation of Forces committed in the 1953 Annual Review.

5. On the longer term considerations, affecting for instance air defence and the implementation of the M.C.48 series, the draft military comments state that the attainment of such objectives "will require additional expenditure which cannot wholly be offset by adjustments in present programmes". In these circumstances it may be somewhat precarious if the Ministers, in deciding whether or not there should be a re-assessment and if so in (drawing up) guidance on the procedures for implementing it, rely wholly on the European view that additional European financial effort need not or should not be made because the necessary resources will be forthcoming through adjustments or from North America.

6. We fully appreciate that an assessment of the kind suggested in para 2 above is not easy to make, nor can it be developed quickly. We feel, however, that at the coming ministerial meeting the Canadian Ministers may be confronted with assuring that Canadian interests in these problems are not overlooked or prejudiced by hasty decisions which might otherwise be made as a result of the growing pressure of present European thinking. With this in mind we hope that these comments might be useful.

233.

DEA/50102-M-40

*Le secrétaire d'État aux Affaires extérieures
au représentant permanent auprès du Conseil de l'Atlantique Nord
Secretary of State for External Affairs
to Permanent Representative to North Atlantic Council*

TELEGRAM DL-1206

Ottawa, December 1, 1955

TOP SECRET

Reference: Your telegram No. 1368 of November 26.

PREPARATIONS FOR THE MINISTERIAL MEETING

The question of a NATO reassessment and priorities was discussed at some length in the Panel on the Economic Aspects of Defence Questions and a Panel memorandum has been prepared recommending that Ministers recognize the need for, but not necessarily take the lead in advocating, a general reassessment of NATO'S defence programme in the light of the current circumstances, with a view to determining how best the common defence might be achieved under the agreed strategic concepts (MC. 48 series). (Copies of the Panel minutes† and of the memorandum are being forwarded to you.) The Panel also agreed:

(1) that a burden-sharing exercise along the lines of that made by the "Three Wise Men" in 1952 was not desirable;

(2) that individual requests by countries for advice from NATO military authorities would not be productive in meeting the situation;

(3) that "positive" NATO plans, such as the one for a co-ordinated air defence system of Europe, would have the effect of bringing some of the issues into clearer focus and facilitating the task of member countries in deciding what portion of their national programmes might be eliminated.

2. We referred your telegram No. 1368 to National Defence emphasizing that, in our view, the best course for Canadian Ministers to adopt might be to say that the desirability of an overall reappraisal is recognized but that the results of such a reappraisal, so far as they related to Europe, would of course have to be studied by the Canadian Government in relation to the urgent and growing demands of North American air defence. The aim would be, as you have expressed it, to ensure that Canadian interests in these problems are not overlooked or prejudiced.

3. In its reply National Defence has expressed its apprehension about an overall NATO review extending to North America. Accordingly, in its opinion, any NATO reappraisal should be limited in scope, possibly to the central command in Europe in order to provide the necessary facilities as first priority for European air defence. At a later stage, Canada could consider offering assistance in the form of additional equipment for air defence. (We are sending you copies of our letter to General Foulkes† and of his reply.†)

4. In the circumstances, the Panel paper on this subject will constitute the brief for Ministers. It is not as broad in scope as the one you suggested and, as we pointed out to National Defence, there is a need for such a broader type of assessment. It would be the logical outcome of the proposed interdepartmental study of national security policy which, in our opinion, should be given a high priority and which will take time to complete.¹²⁶

234.

PCO

*Note du Comité sur les aspects économiques des questions de la défense
pour le Cabinet*

*Memorandum from Panel on Economic Aspects of Defence Questions
to Cabinet*

CABINET DOCUMENT NO. 236-55

[Ottawa], December 5, 1955

TOP SECRET

The attached paper on "Priorities within NATO" was prepared by the Chairman, Chiefs of Staff for Ministers attending the NATO Council Meeting. The Panel on Economic Aspects of Defence Questions considered it and came to the conclusions mentioned in paragraph 14.

W.R. MARTIN
Secretary

¹²⁶ Voir/See Document 789.

[PIÈCE JOINTE/ENCLOSURE]

*Note pour les ministres participant à la réunion
du Conseil de l'OTAN*

Memorandum for Ministers attending NATO Council Meeting

TOP SECRET

[Ottawa], November 29, 1955

PRIORITIES WITHIN NATO

1. The question of priorities arose again at the Defence Ministers' meeting in October of this year. This question is not unfamiliar and is quite similar to the problems now facing the Canadian Government, but it is aggravated in the European countries by the uncertainty of further mutual aid from North America.

2. It will be remembered that, when NATO was formed in April of 1949, a strenuous effort was made to provide as rapidly as possible the largest attainable force in Western Europe to prevent any further Soviet intimidation of the pattern used in Czechoslovakia. The Military Committee laid down certain force goals for NATO, which were in the order of 47 front-line divisions increasing to 83 divisions by D plus 90, with a total number of 5913 aircraft. These forces were to be equipped in the main with 2nd World War equipment still remaining in Europe and with war stocks which were available in North America, supplemented by further production, mainly from North America.

3. At the NATO meeting held in Ottawa in September of 1951, there was a general expression of opinion in the Council that the military sights had been set too high and that many countries were having difficulty in meeting even the maintenance charges for these forces.¹²⁷ It was therefore agreed that the force goals should be more closely related to the economic capability of the member nations and to the amount of mutual and economic aid being received by the countries concerned. The acceptance of this position led to the setting up of the Temporary Council Committee (the "Three Wise Men"—Harriman, Plowden and Monnet). This group, with military and economic experts, made an exhaustive study of the military and economic position of the member nations and produced a very voluminous but in many cases inaccurate survey of the military and economic potential of the member nations.

4. This report was presented to the Council at the meeting in Lisbon in February of 1952.¹²⁸ The report was not adopted as such but a resolution, including agreed force goals, was accepted by the Council. These new force goals were alleged to be within the economic capabilities of the member nations, and were in the following order of magnitude:

Total number of divisions—63 front-line—157 by D plus 90.

Total number of aircraft—9984.

This included forces for Greece and Turkey.

5. The resolution also recommended that an Annual Review should be conducted to assess the progress made in reaching the Lisbon goal and to adjust the force goals from year to year as was found necessary. It is significant to note that the only countries which have reached their Lisbon goals are Canada and the United States. The processes of the Annual Review since the Lisbon meeting have clearly demonstrated that there is a considerable slippage in both quantity and quality of the forces being raised in NATO. Appendix

¹²⁷ Voir/See Volume 17, Document 476.

¹²⁸ Voir/See Volume 18, Document 426.

"A"† shows the relative positions of the member countries in reaching their force goals. All the NATO countries including Canada are now being required to meet out of their defence budget the following elements of expenditure:

(a) maintenance such as pay of personnel, transport, POL and works maintenance and attrition wastage;

(b) the replacement of ammunition expended on operations and training; and

(c) the re-equipping of their forces with more modern equipment to meet the requirements laid down in M.C. 48 and M.C. 48/1 for taking part in a war in which thermonuclear weapons will be used.

6. One of the major difficulties facing all the defence departments in NATO is that the closer nations get to their force goals the larger become their fixed charges, such as increased pay and allowances, maintenance, overhaul, repair, attrition and wastage; and therefore there is, and will continue to be, less money available for providing modern equipment for their forces. It should be remembered that the bulk of initial equipment was provided from mutual aid sources. This problem has been further aggravated by the fact that in almost every item of equipment the costs have increased two and three times over the original cost; for example:

- the cost of the F86 plus one year's spares is \$352,000. - 1952
- the cost of the CF100 plus one year's spares is \$912,000. - 1954
- the estimated cost of the CF105 plus one year's spares is \$2.6 million. - 1960

Therefore it is quite apparent that the difficulties facing all NATO countries is how to meet this question of modernizing their forces and still maintain the present level of defence expenditures.

7. In the light of the development of the M.C. 48 concept, a radical change in the organization and deployment of NATO forces will be inevitable, and the division of defence expenditure between the maintenance of forces at their present size and their re-equipping with modern weapons will be of critical importance. It may be found that in certain fields the balance of advantage lies in maintaining smaller forces and spending more on weapons with which they are equipped; furthermore that, as these modern weapons will have a greater destructive power, perhaps the Supreme Commanders could get along with somewhat smaller forces. The difficulty arises as to how decisions can be reached on what reduction can be made to make way for increased expenditures on modern equipment. The Supreme Allied Commanders consider that they now have insufficient forces to carry out their allotted tasks and therefore are very loath to recommend any reduction in conventional forces and conventional weapons in order to allow the creation of new types of forces, such as air defence forces, modern all-weather aircraft and guided missiles.

8. In commenting on the Annual Review, the Standing Group made this statement regarding adjustments of existing forces: "Recognizing that the Alliance has not yet attained either the level or effectiveness of forces visualized in M.C. 48, and recognizing that the full achievement of the forward strategy is thereby delayed, the Military Committee nevertheless is of the opinion that, with little or no increase in current levels of defence expenditure, it is conceivable, through appropriate adjustments, for NATO defence forces to attain the equivalent fighting value envisaged by the 1956 planning goals in the 1953 Annual Review. However, the Military Committee recognizes that the attainment of an efficient air defence and early warning system in NATO, as well as the other measures recommended in the M.C. 48 series, will require additional expenditures which cannot wholly be offset by adjustments in present programs."

9. It would therefore appear that the Standing Group have not accepted the opinions expressed at the Defence Ministers' meeting that additional defence expenditures will not be forthcoming and that they must expect either these deficiencies to be met from mutual aid or by convincing member countries to increase their defence expenditures. It was suggested in the Permanent Council that a working group of military and political experts should be set up to work out a system of priorities which could be followed by member countries in re-organizing their forces on the basis of no increase in military expenditures. One of the difficulties in setting up such a joint group is that of securing independent military advice. This military advice should come from the Standing Group but it should be appreciated that the Standing Group do not give any military advice which is not previously cleared by their governments; therefore the military advice tendered by the Standing Group also contains the political advice of the three countries and quite often this type of advice is tempered by certain national political viewpoints. Furthermore, the Standing Group has already expressed a view on this question of an immediate review of priorities as expressed in their comments on the Annual Review:

"Should it become apparent to the NATO military authorities that the resources made available are insufficient to implement progressively those measures essential for the forward strategy, it would be incumbent on the military authorities to advise the Council that a reconsideration of that strategy should be undertaken. Until such time as the various military studies develop the overall requirements and indicate what adjustments are necessary both on a collective basis and in national programs, the Military Committee cannot determine the degree to which these measures will be implemented. Nevertheless, the Military Committee is of the opinion that the forward strategy is valid. In any case, the Military Committee is of the firm opinion that a sound military strategy for the successful and sustained defence of the NATO area requiring materially less effort than that now envisaged cannot be devised. In view of the above considerations, the Military Committee is of the opinion that any overall review in the near future could produce only inconclusive results."

Therefore it would appear very difficult for any such ad hoc committee as suggested by the Permanent Council to reach any conclusions on the basis of using the Standing Group.

10. It now appears that we have reached another impasse in NATO where the advice tendered by the military authorities would appear to be inconsistent with the economic policies of the member governments. In such a position a political decision is required on what military risks the Alliance is prepared to take to satisfy the budgetary requirements of the member nations, and it is considered appropriate that these risks should be taken by the governments with full knowledge of the military implications. If this premise is accepted, the following approach might be considered by the Council.

11. The Council should lay down certain general priorities and nations would be asked to consult with the appropriate military authorities in re-organizing their forces to take into consideration these general priorities laid down by the Council. The types of general priority which are considered are as follows:

M.C. 48/1 lays down the following:

- "In the face of the threat of such a war, the primary aim of NATO must more than ever before be to prevent war."
- "Priority must be given to the provision of forces in being capable of effectively contributing to success in the initial phase."

These two statements in themselves provide a considerable lead to establishing priorities. If it is accepted that the primary aim of NATO is to prevent war, then we should

give first priority to those forces which create the deterrent; and therefore it would seem logical that the atomic striking forces and the means of defending them would be considered first priority. That would include early warning systems and air defence forces required to ensure the availability of the US-UK strategic air force and SACEUR's atomic striking force.

The second part of this quotation would give an indication of what perhaps would be the second and third priorities; namely, the forces required in the initial phase, which would be forces available from D-Day to D plus 30. These must be forces immediately ready and available in peacetime. It is felt that if this kind of an approach is made on the political level it would then appear logical for each nation to re-assess its own forces and, with the assistance of the Supreme Commanders or the Standing Group, make recommendations as to what forces they would be prepared to drop in order to create forces of high priority within the financial limits of the member nation.

12. The arrangement of priorities on this kind of basis has already been implemented in Canada. The Minister of National Defence issued a direction to the Chiefs of Staff on 9 March, 1955, to the effect that:

"At the Council meeting in December, 1954, M.C. 48 (Final) was approved and represents Canadian Government policy. This policy provides that:

'priority must be given to the provision of forces in being capable of effectively contributing to success in the initial phase. Other forces are required to contribute to subsequent operations, but in view of the importance of the initial phase and taking into account the limited resources which it is anticipated will be available, the build-up of these forces must be given a lower priority.'

Budgetary considerations and the plans of other countries in relation to the build-up of the forces described as having lower priority will make it difficult for Canada to proceed with the implementation of plans for forces other than those capable of effectively contributing to success in the initial phase.

"The Chiefs of Staff should, in formulating proposals for the raising and equipment of forces, have the considerations outlined above clearly in mind."

13. Studies are being made to determine by functions the costs of the various Canadian NATO commitments; for example, the cost of maintaining naval aviation training and the militia of Canada, and the cost of the maintenance and rotation of a brigade overseas and the Air Division in Europe. It is now obvious that further consideration should be given to the military value of maintaining one brigade in Europe, especially after the German contribution has been completed, about 1958. The rotation of this brigade and its dependents costs between two and three million dollars every second year for transportation and this expenditure does not in any way increase the military position of NATO. It is hoped that from this series of studies we may be in a better position to make recommendations as to what adjustments should be made to keep our forces in line with the concept outlined in M.C. 48 and M.C. 48/1 and make the greatest possible contribution to the defence of the whole of the NATO area.

14. At its 39th meeting held on 25 November, 1955, the Panel on Economic Aspects of Defence Questions noted the conflict between budgetary limitations of individual countries in the NATO alliance, on the one hand, and proposals for providing the most effective modern defence, on the other, and:

(a) agreed to recommend that Ministers recognize the need for, but not necessarily take the lead in advocating, a general reassessment of NATO's defence programme in the light

of the current circumstances, with a view to determining how best the common defence might be achieved under the agreed strategic concepts (M.C. 48 series);

(b) agreed that a burden-sharing exercise along the lines of that made by the "Three Wise Men" in 1952 was not desirable; also that individual requests by countries for advice from NATO military authorities would not be productive in meeting the situation;

(c) noted that suggestions as to procedure for a general reassessment or a reassessment of individual nations or groups of nations were under consideration in NATO; and

(d) agreed that "positive" NATO plans, such as the one for a co-ordinated air defence system of Europe, would have the effect of bringing some of the issues into clearer focus and facilitating the task of member countries in deciding what portion of their national programmes might be eliminated.¹²⁹

235.

DEA/50102-M-40

*Le représentant permanent auprès du Conseil de l'Atlantique Nord
au secrétaire d'État aux Affaires extérieures*

*Permanent Representative to North Atlantic Council
to Secretary of State for External Affairs*

TELEGRAM 1502

Paris, December 15, 1955

SECRET. IMPORTANT.

Repeat Bonn No. 88; Washington No. 85; London No. 187.

DECEMBER MINISTERIAL COUNCIL MEETING

The full session of the Council opened at 11:00 a.m. this morning, and took note without any discussion of the progress report of the Secretary General. The rest of the morning session was devoted to the consideration of Item II on the agenda "Review of the International Situation".

2. Mr. Dulles made a fairly lengthy analysis of the development of Soviet policy during the year. He recalled that a year ago the Council met under the menace of the Soviet threat of the cancellation of the U.S.S.R. treaties with France and the U.K., and many of the members of the Council were wondering what would happen if we went ahead with the ratification of the London and Paris agreements.¹³⁰ At that time, he had said that these threats were typical of the Soviet reaction to any forward move to consolidate Western strength. His prophecy that the change would bring about a greater spirit of accommodation on the part of the Soviets proved to be correct. After Germany had joined NATO, there was a rapid change in Soviet policy which hitherto had been one primarily of direct action with menaces of war, e.g. the Czechoslovakian Coup, Korea, the Blockade of Berlin. Instead we witnessed the signature of the Austrian Treaty, the Pilgrimage to Belgrade, the Summit Conference at Geneva.

¹²⁹ Ces recommandations ont été approuvées par le Cabinet le 7 décembre 1955. Pour les délibérations du Cabinet, voir le document 155.

These recommendations were approved by Cabinet on December 7, 1955. For its discussion, see Document 155.

¹³⁰ Voir Canada, *Recueil des conférences*, 1955, N° 1/See Canada, *Conference Series*, 1955, No. 1.

3. Of the Summit Conference, Dulles said that [it] produce[d] gains for the West as well as for the East. The Western Powers were able to demonstrate the sincerity of their desire for peace. President Eisenhower's proposal could only come from a man who had no aggressive intentions. The Soviet Union, on the other hand, gained from the meeting a respectability which it had not enjoyed theretofore. The position of the Soviet Union at the Conference, however, was ambiguous and the speech made by Bulganin after the final communiqué destroyed whatever hopes of reaching agreement may have been entertained.

4. In any event, the Foreign Ministers' Conference dissipated any such ambiguity. We learned the unreliability of Soviet agreements. At the Summit Conference, the Soviets had agreed that Germany should be reunified by means of free elections. This specific commitment was repudiated by Molotov who bluntly argued that the so-called "single-list" was the only proper basis for elections in Germany. In order to meet any legitimate desire for security on the part of the Soviets, the West put forward flexible and resourceful security proposals. We were entirely successful in driving out the Soviet Union from the position where it could oppose the reunification of Germany on security grounds. It became clear that the Soviets feared that free elections in East Germany would jeopardize the social gains achieved there by the Pankow régime.

5. It may be asked why the Soviets took such a rigid position. Mr. Dulles said that if, for instance, the Soviets had put in their proposal about the creation of an all-German Council, a clause to the effect that this body was not only meant to be a negotiating body between East and West Germany but that it would also consider the possibility of reunification, such a proposal might have proved to be embarrassing. (Mr. Dulles' remarks on this point are interesting in the light of Mr. Spaak's suggestion reported in Brussels' telegram No. 168 of December 9†).

6. With regard to the question of East-West contacts, the Soviets adopted a similar rigid position, and turned down the seventeen concrete proposals put to them.

7. On disarmament, they rejected President Eisenhower's proposals for exchange of blue-prints and aerial inspection, on the ground that such aerial inspection would only be useful in the last stage of disarmament controls.

8. Mr. Dulles then speculated on the reasons why the Soviets took the position they did. Probably out of strength because of their increasing industrial power and military potential. Probably out of fear for the artificial structure of the satellite countries. Probably also, out of a recrudescence of Stalinism as we have every reason to believe that Stalinism is still a very potent force within the Soviet Union.

9. Mr. Dulles said that since Geneva Conference No. 2, the Soviets had made further significant moves particularly in the Middle East and Asia. They certainly realize that the [oil?] resources of the Middle East are vital to Western Europe and NATO. They try in these areas to develop emotionalism, hatred and historical rivalries.

10. In conclusion, the Secretary of State said there seems to be no desire on the part of the Soviet Union to resume the direct action policies with menaces of limited conflicts which are characteristic of the first ten years of the post-war period. Finally, the present phase which is marked by the opening of the new cold war front in the Middle East, Near East and South Asia, poses a threat the seriousness of which cannot be minimized, but which, in his opinion, is not as great as the dangers we have had to face in the past and have successfully met.

11. We shall not attempt to summarize in as much detail the remarks made by M. Pinay as for the most part he took up the themes already developed by Mr. Dulles. At the end of his speech, however, M. Pinay broke some new ground. He said that the defence efforts of

the West should not be limited to the military field but also extended to the economic field. He expressed the fear that the West had made some serious mistakes from the psychological point of view. It had put itself in a position where it was being out-paced by the Soviet Union regarding assistance to under-developed countries. He knew, of course, that the U.S. had already done a great deal in that direction and there existed the ambitious Point IV programme of the U.N.¹³¹ but the question was whether NATO had a role to perform in this connection and whether it could reach agreement on a large scale programme of its own to bolster the present efforts of the U.N. From the public opinion point of view, there was much to gain in pursuing this policy. If the Soviets accepted such a programme, this would put an end to their present disruptive tactics. If they refused, their real aims would be exposed.

12. The most noteworthy remarks made by the German Foreign Minister related to the question of the security of Berlin and the economic role of NATO.

13. With regard to Berlin, von Brentano said that obviously Soviet diplomacy is becoming increasingly active. Because it is recognized that the security of the Berlin zone is essential to the security of Europe, permanent consultation is being carried out between West Germany, the United States, the United Kingdom and France. In his opinion, the time has come, however, where this process of consultation should be broadened to include all members of NATO.

14. Mr. von Brentano gave his full support to the views previously expressed by M. Pinay on the necessity of counteracting the current offensive in the economic and social fields initiated by the Soviets. The only valid answer to communism was a determined effort to eradicate poverty and misery wherever it could be found. Whether this effort should be made by NATO itself or elsewhere was relatively unimportant and he had an open mind on the subject.

15. M. Martino, for his part, thought that the answer to the Soviet threat was a dynamic policy of European integration designed to raise the standard of living of the European nations. European integration without military integration as envisaged originally under E.D.C.P.M. plans could not be represented by the Soviets as a threat to their security. We also had to contend with Soviet penetration in Asia and Africa through offers of economic and technical assistance. The NATO countries will have to pay increasing attention to the problems faced by under-developed territories.

16. The Turkish Representative (Ambassador Nuri-Birgi), basing his remarks on the report "Comparison of Economic Trends in NATO and Soviet Countries" also took up the theme of NATO's responsibilities regarding economic aid to under-developed countries. Such a policy is the only valid answer to the Soviet offensive in this field.

17. Nuri-Birgi then reported briefly on the last Bagdad Council meeting. A Permanent Secretariat has been established and a military and economic committee created. It has also been decided to establish a special body to combat subversive activities in the Middle East. Nuri-Birgi underlined the novelty of the decision to establish an economic committee. This

¹³¹ Renvoie au programme américain d'assistance technique au monde en développement, annoncé dans le quatrième point du discours inaugural de Truman en janvier 1949. Voir United States, *Public Papers of the Presidents of the United States: Harry S. Truman 1949*, Washington: United States Government Printing Office, 1964, Document 19, pp. 112-116.

Refers to the American program of technical assistance to the developing world announced as the fourth point of President Harry Truman's inaugural address in January 1949. See United States, *Public Papers of the Presidents of the United States: Harry S. Truman 1949*, Washington: United States Government Printing Office, 1964, Document 19, pp. 112-116.

committee may have representatives from non-member countries. He also said that the time will come when liaison and co-operation between the Bagdad organization and NATO will have to be worked out.

18. The Portuguese Foreign Minister ended up this phase of the discussion by developing the thought that NATO will have to extend its activities to the economic field and recognize the interdependence between Europe, Asia and Africa.

19. During the afternoon session, Item III of the Agenda was considered, but as the discussion took more technical lines, we shall report separately at a later date. You may be interested to know that at one stage of the discussions, Mr. Dulles referred to the recent admission of two NATO members, Italy and Portugal to the United Nations, expressing satisfaction over this development. Mr. Pearson happily summarized the general feeling by saying that he rejoiced over the fact that two of his NATO colleagues had now become colleagues in the U.N., expressing the hope that they will soon be followed by Germany.

L.D. WILGRESS

236.

DEA/50102-M-40

*Le représentant permanent auprès du Conseil de l'Atlantique Nord
au secrétaire d'État aux Affaires extérieures*

*Permanent Representative to North Atlantic Council
to Secretary of State for External Affairs*

TELEGRAM 1510

Paris, December 17, 1955

SECRET. IMPORTANT.

Reference: My telegram No. 1502 of December 15.

Repeat London No. 188; Washington No. 86; Bonn No. 89.

NATO MINISTERIAL MEETING — REVIEW OF INTERNATIONAL SITUATION

The Council met in restricted session on Friday morning, December 16, to continue the discussions of the current international situation. The meeting was held in the smaller council room, and attendance was restricted to two at the table plus two in the seats behind for each delegation. Mr. Pearson and Mr. Harris attended for Canada, and were accompanied by Mr. Charles Ritchie and the Canadian Permanent Representative.¹³² The discussion proved to be the best informal exchange of views that has ever taken place. It lasted for three hours, and was characterized by frankness, which augurs well for the future of political consultation within NATO.

2. Before the meeting, Mr. Macmillan had suggested to Mr. Pearson that he might lead off. Mr. Pearson commenced by referring to his visit to the Soviet Union which had served to confirm the conclusions and judgments he had previously reached.¹³³ He felt sure that the Russians were as anxious as we are that there should be no global war. They do not wish to provoke or participate in a war of total destruction. Furthermore, they believe that they can achieve their objectives without resort to war. Industrialization, agricultural problems and aid to China and under-developed countries, places demands on their economy which render relaxation of tension desirable. On the other hand, their basic policy and

¹³² Wilgress.

¹³³ Voir le chapitre 5, 2^e partie, Section C(ii)./See Chapter 5, Part 2, Section C(ii).

objectives have not changed. It is evident that they will continue to follow a zigzag policy towards the West — smiles alternating with threats. They probably need threats for domestic purposes in order to justify the sacrifices necessary to build up and maintain their armed forces. Their fundamental objective is to weaken and destroy NATO. They do not believe that they need war to destroy NATO because they think that in time NATO will wither away owing to the refusal of our peoples to accept the sacrifices involved.

3. Mr. Pearson then went on to express the view that the Soviet Union will exploit every opportunity to weaken the influence of NATO countries in all parts of the world. They made it clear to him, and this has been confirmed by the Foreign Ministers' meeting at Geneva, that on no account will they agree to the reunification of Germany except on their own terms. These terms are to bring a united and communist Germany into the Soviet camp. It is desirable that we should make this position clear to the public opinion of our countries.

4. He then pointed out that the problem of German reunification was primarily but not solely a question for the Germans to solve. He asked the question as to how long the German people — steady and firm though they are — will be prepared to stand the present position. He expressed the hope that the Federal Republic, with its freedom and prosperity, would prove a magnetic force for all Germans. In the meantime, the policy of non-recognition of East Germany does present problems. Nevertheless, the advantages of our present policy would appear to outweigh the disadvantages.

5. Mr. Pearson concluded by making an appeal for the development of political consultation, pointing out that the Permanent Council was a good agency for this purpose. He expressed the hope that the use of the Council may afford the opportunity for an imaginative and constructive approach to international problems as they arise.

6. Mr. Spaak of Belgium followed Mr. Pearson, and approved what had been said the previous day and by Mr. Pearson on the general situation. Our task, he said, is to build up our policy, and to make it clear to our peoples. For this reason, the communiqué to be issued at the conclusion of the meeting was particularly important since this was the first meeting of the Council since the Foreign Ministers' meeting at Geneva. He wanted to thank the Three Powers for the positions they had taken in Geneva and the ability and force with which they had presented the Western case. He then made his principal point which was that we must not fall into any trap prepared for us by the Soviet Union. While particular importance must be attached to the Middle East and Asian problems, this does not mean that the European problems have yet been solved. We cannot persuade our peoples that the failure of Geneva represents a solution to the German problem. We must look to the Germans themselves to help us with their advice. Finally, he referred to our weakness in the propaganda struggle in that our public opinion has not been convinced that the Soviet attitude at Geneva was solely negative. We should endeavour to put this right in the communiqué.

7. Mr. Theotokis of Greece agreed with Mr. Pearson that the Soviet Union wants to avoid global war because it would mean mutual destruction. He then went on to say that the West is in an inferior position so far as the propaganda struggle is concerned. We should make an attempt to organize our propaganda on a world-wide basis. While agreeing that the communiqué was important, he felt that the NATO countries should be able to anticipate Russian propaganda by taking the offensive themselves.

8. Dr. Cunha of Portugal followed with a long and discursive speech. He did not think it was necessary to say much more about the German problem even though in some countries doubts had been expressed about Geneva. It would, however, be important to know what

the Germans themselves feel on this point. As a means of leading up to Goa, he first dealt with Africa, which he characterized as one of the weak spots of Western defence. Communist agents were active there, and all of the areas were inter-dependent. Hence, the problem was important not only for France. We have witnessed Communist penetration into Egypt and Libya, and even into the Portuguese parts of Africa. Their slogan was "Africa for the Africans". Dr. Cunha pointed out, however, that we cannot set peoples free who are not yet ripe for freedom. The NATO area was too restricted. On his recent visit to Norfolk, SACLANT had pointed out that he could not deal with the problems of the South Atlantic because they were outside the NATO area. Dr. Cunha then went on to deal with Asia, and referred to the communiqué which had been issued following his visit to Washington. This had been necessary to counteract the dangerous statements made by Indians and Burmese. After the British, the Portuguese know best Indian psychology. The more the Indians obtain, the more they want. Therefore, we must take a firm position vis-à-vis Asia. The Portuguese were not taking an intransigent position, and were prepared to consult with the Indians on problems arising out of the common border, provided always that the Indians recognized Portuguese sovereignty.

9. Dr. Cunha then stated that he felt it his duty to raise a delicate problem, which presented for some countries political difficulties. He was referring to the problem of Spain. There could be no dispute on military grounds regarding the case for Spanish adherence to NATO, either by becoming a full member or by some form of association which would link Spain with the Western defence system. Up to now, the West had not properly understood Spanish psychology, and by isolating Spain, we have strengthened and consolidated the present régime. After referring to Spanish pride, he went on to say that time was not playing in our favour, since the Spaniards were becoming less interested in joining NATO. If we waited too long, we might lose the benefit of their association.

10. Dr. Cunha concluded by referring to the propaganda theme which had been introduced by Mr. Spaak. He felt we had a duty to promote the interests of our own peoples in NATO. The youth of our countries do not realize the paramount importance of such an organization. For this reason, we should utilize sports and other types of activities which appeal to youth and help develop among them a better appreciation of what the organization stands for.

11. Mr. von Brentano of Germany then intervened with a very earnest and impressive speech. He spoke slowly and deliberately, and was under some difficulty in expressing in French the ideas he wished to convey; he commenced by supporting fully what Mr. Pearson had said about the Soviet Union. He then referred to the difficulty of speaking about his own country. He realized that by emphasizing their own problems, they could give rise to annoyance in other countries. However, the answer to the German problem might also help provide answers to the other problems with which we are concerned. There was no division in Germany on the fundamental objectives of German policy although there were differences about the means by which this policy should be pursued. The Bundestag has unanimously approved the objectives of German policy. Ollenhauer had agreed that no reunification was possible except in freedom, and that no negotiations with the Soviet Government were possible. The present division of Germany means that millions of his countrymen continue to live under a Bolshevik régime. This is repulsive to all Germans, and therefore the task for us all is to convince all Germans that our present policy is the only possible one. He therefore agreed that the communiqué to be issued at the end of this conference would be of paramount importance.

12. Mr. von Brentano continued, explaining their attitude towards Soviet bloc countries and particularly towards the D.D.R. While border traffic, postal services, etc. were func-

tioning with the D.D.R., they were determined that there should be no official negotiations with the East Germans because this would be the first step towards recognition of East Germany by the outside world. He hoped NATO would reaffirm the London declaration recognizing the Federal Republic as the only government in a position to speak for the Germans. For reasons of trade, some countries have already commenced negotiations with the East Germans. However, it was absolutely necessary for the other NATO partners to support the Federal Republic in their stand. We must demonstrate the solidarity of the free world. Germans on both sides of the Iron Curtain must be made aware that only co-operation with the free world will guarantee reunification in freedom. The more our solidarity is demonstrated, the stronger we will be, not only on the military but also on the political and ideological planes. He concluded by stating that he did not think for one instant that there will be any doubts on the part of the German people, provided they continue to be assured of the support and solidarity of the Western world such as was demonstrated so well at Geneva.

13. Mr. Lange of Norway followed by stating that there could be no doubt as to the conditions that were put to the Soviets at Geneva, but in the minds of many people in the West, the point has become blurred. The impression has grown up in some circles in Norway that one condition was that Germany should remain in the Western camp. It was encouraging to hear of the unity and firmness of German opinion, but if we can reinforce this stand, we should do so. He referred to the Messina initiative, and said it would be unfortunate if European unity were to be disrupted through a tendency towards proceeding in small groups. While agreeing with Mr. Spaak that we must not be led astray and forget Europe, he endorsed what Mr. Pinay had said on the previous day when the latter drew attention to Soviet actions in relation to the under-developed countries. We must meet this challenge, but he felt that action should be through the United Nations where we could approach the under-developed countries on the basis of equality. There was a tendency by these countries to present NATO in the United Nations as an organization designed to protect imperialist interests. If this tendency develops, it would bring about a rift in our relations with these countries.

14. Mr. Lange then made a very frank statement about Spain. He wanted to issue a word of warning. We could not take any step which would be more detrimental to public support for NATO in some countries than by agreeing to the admission of Spain. Quoting from Article II about the strengthening of our free institutions, he said opinion in Norway would not agree that the institutions in Spain are free.

15. We then had a long discourse from Mr. Beyen of the Netherlands, who commenced by stating that we must be grateful for the clear indication Geneva has given us of Russian policy. More and more, NATO is becoming concerned with events outside the NATO area. We need not only strength but also patience. He saw dangers if we were to enter into too direct competition with our adversary in the propaganda battle. We were at a disadvantage in that it was more difficult to convey the truth, which was not so impressive as the simple lie. He agreed, however, that this year the communiqué was probably more important than it had ever been. Commenting upon what Mr. von Brentano had said, he agreed that one of the greatest mistakes we could make would be recognition of the D.D.R. in any form. He then went on to defend the Messina initiative admitting there was a problem of reconciling the danger to looser co-operation in a large group that comes from closer co-operation in a small group. He felt that this problem could be dealt with as it had been in other cases. He felt that we must encourage co-operation in smaller groups whenever this was possible. He then went on to assure the other Foreign Ministers in the name of his government that the basic principle of the Messina initiative was that the countries concerned were willing to

do something in a smaller group that would prove to be impossible in a larger one. This, however, was subject to the proviso that such co-operation should not conflict with co-operation in the larger circle. He advised the other Foreign Ministers to re-read what had been agreed at Messina, and he felt that then many of their fears would disappear. Mr. Beyen concluded by asking the countries chiefly concerned to provide us with information about the problems of the Middle East, and the situation in Berlin.

16. Mr. Bech of Luxembourg read a prepared speech in which he stated that Geneva had disclosed that the basic Soviet aims were the expansion of Communism. The threat to the Middle East requires some form of counter-attack, but the only effective deterrent was strength. However, the real battle in such areas is an ideological one, and must be on the spiritual level. The Atlantic alliance should be more and more the basis from which we can counter Soviet propaganda.

17. Mr. Martino, the Foreign Minister of Italy, opened by stating that we were handicapped because of the very coherence of our attitude. We cannot change our policy overnight as the Russians do. Italian opinion had clearly understood what had transpired in Geneva. Therefore, there was no misapprehension in his country among the non-Communist parties. The Soviet aims had become clear when Molotov had advocated the "single list".

18. Getting back to the propaganda theme, Mr. Martino said that the Russians kept on repeating the same things even after we had exposed them as false. He illustrated this by mentioning the Carpenter incident.¹³⁴ He said that after Mr. Pearson had told them that Carpenter was not the Chief of the Canadian Air Staff, they had repeated this to another foreign visitor to Moscow a few weeks after Mr. Pearson had left. He added that we cannot indulge in such practices because we can only say what in our conscience we believe to be the truth.

19. Mr. Martino then came to the defence of Messina, stating that the commitments entered into by the six countries will have to stand. He discounted the danger pointed out by Mr. Lange by referring to the fact that the door is left open to other countries to join. The six countries may prove to be the nucleus, capable of expansion, of a United Europe. Mr. Spaak has still to complete the work which he is conducting with so much ability and vigour. Economic integration should be regarded as the first step towards the political unification of Europe. It is action of this kind that appeals to the imagination of youth. Their aim is the unity of Europe — not the division of Europe.

20. Mr. Macmillan, for the United Kingdom, commenced by referring to the October meeting of the Council prior to the Foreign Ministers' meeting in Geneva. The Three Powers had regarded themselves as trustees for all of the NATO countries. They had presented a strong common front in Geneva, and had received help from the close co-operation extended by the German representatives. He could not conceal his disappointment at the outcome of the Geneva meeting, and this disappointment must be still greater in Germany. He wished to pay a tribute to the strength and solidarity of the German people. At Geneva,

¹³⁴ Pendant la visite de Pearson en Union soviétique, le vice-premier ministre Lazar Kaganovich lui a montré un article de TASS en date du 4 octobre dans lequel on rapporte les propos suivants du Chef des opérations aériennes de l'Aviation royale du Canada (ARC), commodore de l'air Fred S. Carpenter : « our position is to make the Russians know we can knock hell out of them. ». Voir *Globe and Mail*, October 11, 1955.

During Pearson's visit to the Soviet Union, he was confronted by Deputy Prime Minister Lazar Kaganovich with a TASS report (October 4) quoting the RCAF Chief of Air Operations, Air Commodore Fred S. Carpenter, as saying that "our position is to make the Russians know we can knock hell out of them." See *Globe and Mail*, October 11, 1955.

they had put forward a plan for security as the basis for negotiation. It had been misrepresented that the Three Powers were demanding the inclusion of a United Germany in NATO. The free choice, which was to be left to the German people, had perhaps not sufficiently been brought out. However, as the conference proceeded, it became quite clear that Soviet objections to the re-unification of Germany were not on military or security grounds but solely on political grounds. They were not prepared to forego control of East Germany. He had been surprised at the frank disclosure by Mr. Molotov of Russian aims. This was a point which was necessary to ram home to our peoples.

21. He felt that the Russians were not disturbed by the power of NATO but rather by the existence of an organization in which the old and new worlds are joined. This organization provided the main basis for political stability in Europe, and hence was a natural object of Soviet attack.

22. Coming back to the Geneva conference, Mr. Macmillan stated that the Russians tore up the directive about free elections which had been agreed to in July. Mr. Molotov went out of his way to praise elections by means of a single list. By doing so, he indicated clearly that the Russians refuse to surrender ground gained for the Communist ideology. This affects not only East Germany, since ground lost there would be bound to have an effect on the satellites. Hence, it was not for security reasons that they fear the re-unification of Germany but for the more fundamental reasons derived from their basic aims.

23. He then went on to deal with the recent developments in Asia and the Far East. There had been a lull in the Far East, but this was probably because other areas offered more promising grounds for the exploitation of differences. The Czech arms deal may prove to have not been so clever, as it has caused a certain shock to the countries concerned, and for this reason, may facilitate a solution of the Israel problem.¹³⁵ It is obvious that the Russians are exploiting all situations that can give rise to difficulty. Kashmir is another example. Another illustration was the caricature of what the West had done for the East. The Indians know better what the West has done for them. Nevertheless, such propaganda can be dangerous. How it can be countered, poses a difficult problem. The formation of the Bagdad Pact has been a constructive step, not only strategically but from the political point of view.¹³⁶ It is essential that we deal with under-developed countries on the basis of equality, and the Bagdad Pact is of this character. The Russians are saying that the West only wants to dominate, but this can be refuted by partnerships, such as the Colombo Plan and the Bagdad Pact. He felt that this was the best possible answer to Soviet propaganda. Another was to make every effort to remove the causes of disruption wherever they may arise. He agreed with Mr. Spaak, however, that we must never for a moment forget about Europe. This brought him back to Germany, which he described as a loyal partner. We must support in whatever way we can the German Government, and support the will to resist of the German people. He referred to the London Declaration, and re-affirmed this is a basis of British policy. The Soviet Union will do everything possible to force recognition of the D.D.R., but we must remain firm on the question of principle. He concluded by agreeing on the importance of the communiqué, which was to be issued following the meeting.

24. Mr. Hansen, the Prime Minister and Foreign Minister of Denmark, made a short intervention to report on the invitation which he had received to visit Moscow. This invitation followed similar invitations to the Heads of the Swedish and Norwegian Governments. He proposed to make the visit in March next, and a report will be made to the

¹³⁵ Voir/See Document 552.

¹³⁶ Voir au document 570 ce que pensait le Canada du Pacte de Bagdad.
For a Canadian view of the Baghdad Pact, see Document 570.

Permanent Council following the visit. Mr. Hansen then supported what Mr. Lange had said about Spain, and concluded by referring to the importance of propaganda about NATO among youth.

25. Mr. Pinay, for France, referred to the suggestions which had been made for counter-propaganda. He considered that it was indispensable that we create the right psychological climate. He therefore made a formal proposal for the creation of a committee within NATO to deal with counter-propaganda against Communist propaganda.

26. Mr. Birgi of Turkey supported the proposal for common action in the field of counter-propaganda, and approved the suggestion that a committee be established for this purpose.

27. Dr. von Hallstein, the German Secretary of State, then spoke on behalf of Mr. von Brentano, and outlined the situation concerning Berlin. The status of Berlin depends upon the Potsdam Treaty, and this had not been changed by the granting of sovereignty to the D.D.R. Following the blockade of Berlin, an agreement had been concluded in 1949 by the Four Powers covering goods-traffic between the Federal Republic and Berlin. At the end of September, the Soviet Union had concluded an agreement with the D.D.R., giving the latter full jurisdiction over their relations with other countries, including the Federal Republic. They were also granted jurisdiction over lines of communication and patrol of the borders. On December 15, the Soviet Government had answered the recent Western protest by referring to this agreement with the D.D.R. This should be regarded as another of the steps to force recognition of the D.D.R. The Federal Republic has resisted all efforts of the D.D.R. to get into touch with officials of the Federal Republic. The policy of the Federal Republic was to avoid any contacts that could be construed as official. They have established a consultative group with the Three Powers, which will consider each situation as it arises. What is important is that one has to see all these moves by the Soviet Union as part of a political strategy leading eventually to recognition of the D.D.R.

28. Von Hallstein had made the statement about Berlin in response to the request of Mr. Beyen of the Netherlands. Since it was then well past one o'clock, the meeting adjourned, and the prevailing opinion among Foreign Ministers after the meeting was that the discussion had been most useful. It had demonstrated once more the value of political consultation within NATO.

29. As a result of the Council's discussion on the communiqué, it was agreed that Mr. von Brentano and Mr. Spaak would recast themselves the text of the draft communiqué prepared by the Working Group. The German and Belgian Foreign Ministers did not, therefore, attend the afternoon plenary session of the Council when the agenda item on Article 2 was discussed. (We shall be reporting separately on this phase of the Council's discussions). In spite of certain misgivings on the part of the French over the Brentano-Spaak version of the communiqué which in their view placed too much emphasis on the German problems, the final text, which by now had much more political punch to it, was approved after a number of drafting changes, at 9:15 p.m. last night.¹³⁷

L.D. WILGRESS

¹³⁷ Voir Conseil de l'Atlantique Nord, Congrès, *Textes des communiqués finals, 1949-1974*, Bruxelles : Service de l'information OTAN, s.d., pp. 99-101.

See North Atlantic Council, *Texts of Final Communiqués, 1949-1974*, Brussels: NATO Information Service, n.d., pp. 95-97.

237.

DEA/50102-M-40

*Le représentant permanent auprès du Conseil de l'Atlantique Nord
au secrétaire d'État aux Affaires extérieures*

*Permanent Representative to North Atlantic Council
to Secretary of State for External Affairs*

TELEGRAM 1511

Paris, December 17, 1955

SECRET

Reference: Our telegram No. 1510 of December 17, 1955.

NATO MINISTERIAL COUNCIL — IMPLEMENTATION OF ARTICLE 2

The discussion on the implementation of Article 2 which took place in the afternoon of December 16 was introduced by Mr. Martino whose government had proposed this item on the agenda. He and most of the speakers who followed him referred to the three aspects of co-operation under Article 2: (i) consultation and co-ordination in the field of foreign policy; (ii) social questions, including propaganda and the exchange of information and (iii) economic co-operation. Little that was new emerged on the first two aspects, although several ministers stressed the importance of increased efforts in the psychological and propaganda fields.

2. The discussion on economic co-operation may be considered from two aspects, (i) the principle of holding discussions in NATO on economic subjects and (ii) problems of substance. On the question of principle all ministers who made statements were in favour of holding periodic reviews on economic questions. It was significant, however, that Messrs Dulles, Macmillan, and Pinay were among the ministers who did not intervene. We heard prior to the meeting that the United States and United Kingdom, while not wishing to prevent discussions on economic questions, nevertheless were not yet convinced of the usefulness of holding such discussions in NATO. We heard also that Mr. Beyen had pressed M. Spaak to make a statement on the Common Market but he had not been willing to do so. Mr. Humphrey had also been asked to make a statement on the positive aspects of U.S. co-operation, but in the end, he also refrained.

3. The substance of this first NATO discussion on economic questions was relatively meagre although some useful statements were made. The two main points mentioned were the development of economically weak areas and the Common European Market. However, since the ministers of the larger countries were not prepared to intervene, even these subjects were not by any means fully discussed.

4. The outcome of the debate nevertheless established the principle of considering economic questions within the organization. Ministers adopted the following resolution:

(1) Recognizing that recent developments in the international situation make it necessary to have closer co-operation between members of the alliance, as envisaged in Article 2 of the Treaty;

(2) Taking note of the statements made to this effect at the present Ministerial Meeting;

(3) Decides to instruct the Permanent Council to examine and implement all measures conducive to this end;

(4) Took note of the statements made in the course of discussion and invited the Council in Permanent Session to consider further the proposals made.

5. On Monday we shall send you a summary of the statements made by individual ministers including the statement made by Mr. Pearson.

238.

DEA/50102-M-40

*Le représentant permanent auprès du Conseil de l'Atlantique Nord
au secrétaire d'État aux Affaires extérieures*

*Permanent Representative to North Atlantic Council
to Secretary of State for External Affairs*

TELEGRAM 1516

Paris, December 19, 1955

SECRET

NATO MINISTERIAL MEETING; ITEM III (A), NATO DEFENCE PLANNING,
THE 1955 ANNUAL REVIEW

We give below the text of the statement delivered by Mr. Campney under the above-mentioned agenda item. This statement is contained in verbatim record C-VR(55)59 and has incorrectly been attributed to Mr. Pearson. We are taking steps to have this changed and are also drawing attention to a small error in this record in respect of the name of the existing Canadian aircraft carrier. Document C-VR(55)59 also contains the remarks made by Mr. Wilson concerning defence planning and the development of the United States Mutual Defence Assistance Program.

Text of Mr. Campney's statement:

Begins: Quote:

"Mr. Chairman, in dealing briefly with recommendations in the Annual Review, both in respect of the General Chapter and in respect of the Country Chapter on Canada, I should like first to refer to the recommendations contained in both chapters with respect to the desirability of continuing mutual aid. I can assure you that the Canadian Government will, as always, examine these recommendations with care. Since its inception in 1951/52, Canada has continued year by year to make substantial contributions to NATO associates. By the end of our current financial year which is the 31st March next, the total of these contributions over the period will be of the value of approximately one and one third billions of dollars. Of this amount, over 400 million dollars represents equipment from Canadian stocks, including the complete equipment for four divisions of infantry.

"On the other hand, approximately 300 millions of dollars worth of equipment and material were allocated to NATO countries from new Canadian production, nearly 200 million of which constituted aircraft and aeroplane engines and spare parts. Nearly 300 millions was expended by Canada on NATO aircrew training during that period. We are continuing mutual aid on a slightly reduced scale during the coming year. I should mention in that connection that practically all our mutual aid this coming year will be from new Canadian production of modern equipment. We will also be continuing NATO aircrew training at its present level.

"I might mention also that, along with our neighbours the United States, we are making very substantial expenditures on new projects designed to provide warning and added air defence in North America as a deterrent to any attack on that area.

"In regard to the specific recommendations of the Annual Review as regards Canada, I would like to make a few comments. The first recommendation for Canada to provide two

aircraft carriers in order that one should be constantly available cannot be fully accepted by our government. We will, however, do all in our power to ensure the least possible delay in the period during which the new aircraft carrier the *Bonaventure* is being commissioned and the old one, the *Magnificent* is being decommissioned.

"It will be recalled that at the meeting of the Council a year ago I stated that we were intensively reviewing the problem of time-phasing of escort vessels. I am happy to be able to say that as a result of these studies, we now plan by December 1956 to increase the D-Day availability of destroyer and ocean escort from 15 to 29.

"The recommendation from the international staff that the Canadian government should, in connection with mutual aid, give special attention to high-performance modern aircraft has been and will continue to receive the urgent consideration of the Canadian Government. Thank you." Unquote. Ends.

L.D. WILGRESS

239.

DEA/50102-M-40

*Le représentant permanent auprès du Conseil de l'Atlantique Nord
au secrétaire d'État aux Affaires extérieures*

*Permanent Representative to North Atlantic Council
to Secretary of State for External Affairs*

TELEGRAM 1517

Paris, December 19, 1955

SECRET. IMPORTANT.

Reference: Our telegram No. 1511 of December 17.

Repeat London No. 190; Washington No. 88.

NATO MINISTERIAL COUNCIL MEETING — IMPLEMENTATION OF ARTICLE II

In our telegram under reference, we sent you our general impressions of the discussion of this item. The following is a brief summary of main points made by ministers who intervened. You will have the summary record and verbatims for closer examination.

2. *Sr. Martino* (Italy) opened the discussion. He said that the alliance must foresee a long period of "competitive co-existence" in which rivalry between the West and the Soviet bloc would be transferred from the purely military field to non-military fields. He noted that, in the political field, co-operation within the alliance had made significant progress. On the question of psychological co-operation, the alliance's objectives had been too modest. NATO should seek to release itself from its position of psychological inferiority which stemmed from the fact that the other side had taken the initiative in this field. The organization needed new directives and means for action.

3. *Sr. Martino's* statement (was?) principally directed to the need for economic co-operation within NATO. He thought the time had come for this problem to be boldly reconsidered. The alliance should investigate what it had of co-ordinating its technical, financial, and manpower resources in order to assist under-developed countries which lay between the Western and Soviet worlds. He made two specific proposals: (1) the countries concerned should endeavour to reach agreement on a common European market as quickly as possible; (2) there should be collective action to develop the economically weak countries in the alliance.

4. He concluded by expressing the view that it would be desirable for member countries to use NATO to lay down the principles which should guide them all, both when acting individually and as members of other organizations.

5. *Mr. Beyen* (Netherlands) pointed out that although Article II contained principles for the guidance of member countries, it did not prescribe in which way the principles should be carried out. Economic co-operation between NATO member countries in other organizations should be regarded as an implementation of Article II. He referred at length to the work of OEEC in this connection, which he described as "of terrific and inestimable value". It was the direct concern of NATO that OEEC should continue in existence. NATO should publicize the fact that, in OEEC, the economic side of the work of co-operation between NATO countries was very largely implemented. He thought ways should be found of strengthening the links between the OEEC and NATO Councils. The political overtones of the economic and financial work done in O.E.E.C. had been overlooked to some extent. This was a gap which could be filled by NATO. The remainder of Mr. Beyen's statement, apart from a reference to propaganda, was devoted to a lengthy dissertation on the development of under-developed countries with reference to the work done in other organizations. He emphasized that development was not merely a matter of money, but depended on education, organization, and planning. He thought the effects of Russian gifts would not, for a long time to come, endanger the efforts of the Western world. The only advantage enjoyed by the Soviet Union in this field was its complete lack of respect for the social structures it was pretending to assist. Should NATO enter this field, care should be taken that receiving countries should participate as equal members.

6. Mr. Beyen thought NATO should not try to do any practical work on the development of under-developed countries, and he referred again to the connection with OEEC. The Permanent Council should be asked to consider the organizational aspects of this question and to provide a basis for discussions in ministerial meetings.

7. *Mr. Hansen* (Denmark) proposed that the Information Committee should be asked to consider and make proposals for holding a NATO Youth Rally in the summer of 1957. Costs would be met by common financing.

8. *Mr. Theotokis* (Greece) supported Mr. Martino's remarks concerning the interpretation of Article II. He agreed that NATO countries should adopt a co-ordinated position within other international organizations by means of prior consultation.

9. The Greek Government felt that the reappearance of Soviet influence in the economic field in the Middle East might be offset if NATO countries could combine to work together for the development of under-developed countries. Simultaneously, something should be done to assist certain under-developed regions in Europe, particularly in the South. Before trying to promote economic integration of Europe, means should be found for remedying the under-development of certain countries. In addition to aid, he thought that the North and North Western European countries might copy the recent Russian initiatives for the purchase of Egyptian cotton and Burmese rice. Purchase of the surplus products of Southern Europe without close reference to commercial considerations would have important favourable political repercussions. In an oblique reference to the Common Market, he said that the Greek Government wished to see such a project widely adopted in Europe.

10. *Mr. Lange* (Norway) intervened to support Mr. Beyen's view that the economic aspects of Article II were being largely implemented in other organizations. He thought this point should be stressed publicly but should not prevent periodic reviews in the North Atlantic Council of the whole field of economic and cultural relations. He also supported strongly the Danish proposal for a NATO Youth Rally.

11. *Mr. Nuri Birgi* (Turkey) supported at some length Mr. Martino's reference to the psychological aspect of co-operation within NATO. He agreed that propaganda efforts of NATO should be trusted to a body of highly qualified personnel for all NATO countries. Mr. Nuri Birgi also agreed with Mr. Martino's proposals concerning economic co-operation and the question of aid to under-developed countries.

12. *Mr. Pearson*: We are forwarding in to-day's bag a copy of the notes† from which Mr. Pearson made this statement. Mr. Pearson referred in turn to the three aspects of Article II co-operation: consultation on foreign policy, social questions including propaganda, and finally, economic co-operation. With regard to political consultation, he thought real and encouraging progress had been made in the Permanent Council but that greater use might be made of its conclusions in the formulation of national foreign policies. Discussions in the Permanent Council could never take the place of ministerial consultation. He thought Foreign Ministers should allot more time to political consultation at Council meetings, and that more time should be allotted to the preparation of the ministerial communiqués which were important psychological instruments.

13. *Mr. Pearson* then referred to the memorandum on economic co-operation circulated by the Canadian Delegation,¹³⁸ and reviewed its substance, i.e., that provision should be made for discussions in NATO on economic collaboration and avoidance of conflict in international economic policies within the context of Article II. The intention was not the establishment of new international economic machinery but to provide an opportunity for an exchange of views on the adequacy of current economic policies and international arrangements to fulfill the purposes of Article II.

14. Mr. Pearson then made reference to the Common Market initiative, emphasizing the Canadian Government's sympathy with the political objectives of uniting European countries but expressing concern lest the creation of a Common Market among six European countries should create off-setting effects which would serve to divide rather than unite the various areas of the alliance. He stressed the importance of strengthening economic unity and stability in the free world as a whole. Mr. Pearson did not express a view on the development of under-developed countries other than to agree that Permanent Council might study this question.

15. *Mr. Cunha* (Portugal) reaffirmed his country's opinion that the time had come for the Atlantic community to extend its sphere of activity by a full implementation of Article II. He agreed that there should be greater impetus in the information and propaganda fields, and supported the Netherlands' proposal that a special body should be set up to deal with this problem. He agreed that more attention should be paid to NATO youth, and suggested that sport might be used as a means of influencing young people. Mr. Cunha agreed with Mr. Theotokis' view on the need for NATO countries to concert their policy in other international organizations.

16. Mr. Cunha referred briefly to the proposals for creating a Common Market between six European countries. While this idea might be theoretically sound, it nevertheless created serious problems for countries which were prevented for various reasons from participating immediately in the Common Market. The immediate creation of such a market would be tantamount to dividing Europe. He therefore thought it would be wise to study the Common Market proposal within the broader European framework of the O.E.E.C. An opportunity would be provided by the OEEC Ministerial Council meeting which was to take place in February. The OEEC could examine the difficulties which a Common Market

¹³⁸ Voir la pièce jointe au document 227./See attachment to Document 227.

would raise in the various countries, as well as any ways which might exist for overcoming them. Following Mr. Cunha's intervention, a short discussion took place in connection with the drafting of a resolution, the text of which was sent to you in our telegram under reference.

L.D. WILGRESS

240.

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Évaluation
Assessment

SECRET

[Ottawa], December 30, 1955

NATO MINISTERIAL MEETING — 1955

The annual Ministerial meeting of the North Atlantic Council afforded an opportunity for the fifteen member governments to exchange views and reach agreement on three basic questions:

- (a) the military problems of the alliance;
- (b) the international situation in the light of the Geneva Conference;
- (c) the future development of the Atlantic community.

The Military Problems

2. The defence preparations of the alliance are designed to provide a major deterrent to aggression, to enable NATO forces to defeat aggression should it occur, and to provide a high measure of confidence and security during the cold war. In 1954 the Council approved a basic strategic concept which recognized the primary importance of atomic and thermo-nuclear weapons in any major war in the foreseeable future and the consequent necessity of giving priority to the provision of "forces in being" capable of operating effectively in the initial phase of such a war.

3. The main problem which faced the Council in 1955 was a lag in putting the agreed strategy into effect, despite a continued build-up of Soviet military capabilities. This lag was the result of the delay in obtaining a German contribution, the slow development of "forces in being", the obsolescence of much of the equipment of the European NATO partners, and the redeployment of some of these forces (e.g. to North Africa). It was essential, therefore, to decide how to adjust the defence efforts of the alliance to achieve the most effective pattern of forces within the resources likely to be available (and it was unrealistic to expect these resources to increase), which is a problem fundamentally of priorities.

4. At its Ministerial meetings on December 15 and 16, 1955, the Council reaffirmed the basic strategic objectives of the alliance. It agreed both on the minimum measures that are necessary to adapt NATO military forces for a possible future war and on the general order of magnitude of these forces. Principles to govern the development of defence planning, both collectively and nationally, were adopted; and as a first step it was decided that specific defence problems of general significance would be discussed separately, on a collective basis, beginning early in 1956. Thus there will be a re-appraisal of NATO defence problems, but it will be limited to specific questions and will not take the form (desired by some) of a comprehensive re-examination of everything that NATO is doing.

5. In future, when the NATO military authorities are asked by governments to give advice on the most effective pattern of national forces, they will have the authority to

recommend changes even in the force goals approved by the Council, should they consider this to be necessary in order to ensure that what is most important is provided. It was agreed, however, that the Council would be given an opportunity to consider any significant alterations in national defence programmes based on such advice before the plans were put into effect.

6. The Council recognized that the emphasis on having the most modern weapons required that all NATO governments be given the maximum amount of information on new developments, and in this connection it received assurances from the United States and the United Kingdom that information on a number of new types of weapons would be made available.

7. One specific problem to which the Council devoted some attention was the urgent need for an effective air defence and warning system in Western Europe. It decided that the Supreme Allied Commander Europe would be responsible for co-ordinating the air defence of NATO European countries. The main outlines of the system to be developed by SACEUR were also approved.

8. In general it may be said that the Council at this meeting showed an encouraging degree of unanimity and resolution on the principal military problems facing the alliance. How far the specific decisions taken at the meeting will be effective in implementing the basic NATO strategy will not be apparent for several months, but at least it was evident that on the nature of the problems, and on the nature of the measures required to deal with them, there was no substantial difference of opinion.

The International Situation

9. In the political field the Council had a useful discussion on Soviet trends and intentions and the continuing Soviet threat in non-military fields. Since the Geneva Conference of Foreign Ministers had ended only a few weeks earlier, and since this was the first annual meeting at which German representatives were present, it was natural that the German problem should be given major attention. Soviet activities in the Middle East and Asia were discussed by several ministers. Some consideration was also given to the long-term problems raised by the fact that the rate of economic growth in the Soviet bloc is more rapid than in the NATO countries.

10. Although there were of course differences of emphasis, it was apparent that all members of the Council were in substantial agreement both in their assessments of Soviet policy and on the broad outlines of recent Western policy towards the Soviet Union. There was a general awareness that the Soviet leaders were exploiting in their current diplomatic offensive all situations that could give rise to difficulties for the members of NATO with the object of breaking up the unity of the alliance. There was an evident conviction that greater unity is the only possible answer to these tactics.

11. On the German problem (which was discussed in restricted session) the unanimity was particularly striking. The Council reaffirmed that the objective of the North Atlantic powers is the reunification of Germany in freedom, which is an essential condition of a just and lasting peace. It reaffirmed also the Western position that the Federal German Government is the only government entitled to speak for Germany in international affairs. The security and welfare of Berlin were recognized by the Council as "essential elements of the peace of the free world". Finally, it urged the importance of further consultation within NATO on the German question. The importance attached by the Council to public understanding of the Western position on Germany was emphasized by the prominence accorded to it in the communiqué.

12. Several ministers expressed forcefully the view that more concerted and active Western policies were needed in relation to the underdeveloped areas of the world, especially in view of the use made by the Soviet Government of economic aid in their diplomatic offensive.

The Future Development of the Atlantic Community

13. The December Ministerial meeting marked a step in the direction of the development of NATO as something more than a purely military alliance. The exchange of views on the current international situation was considered to be the best to date and there is now no doubt that the Council is coming to be regarded as an important forum where members hear each other's views and where possible try to achieve a political alignment on outstanding issues. This is not to say that a common policy will necessarily emerge or that the point has yet been reached where the United States, the United Kingdom and France regard consultation in the Council as an essential prerequisite to the formulation of their own policies on important political questions of concern to all of us. (Mr. Dulles did not speak at the restricted session.) Nevertheless there is a steady and satisfactory growth in that direction.

14. Another important development was the discussion in the Council of economic matters. Although participation was limited — the Big Three did not speak — the views expressed, even though preliminary, were important because they established the precedent for further discussions of this nature at future Ministerial meetings. It is too early to say whether the United States, the United Kingdom and France will have overcome their initial reluctance to participate in them. If they do, the Council may come to play a useful role in helping to fulfil one of the purposes of Article 2 — the elimination of conflict in economic policies and the encouragement of economic collaboration between any or all of the members. No Minister suggested that the Council should establish new economic machinery, but a variety of opinions was expressed on the extent to which the Council should attempt to reach agreement on common economic policies.

15. Various suggestions were made about increasing NATO's activities in the social, information, and propaganda fields. The Danish proposal that there should be a NATO Youth Rally was sympathetically received and Mr. Pinay formally proposed that NATO become more active in the field of psychological warfare by creating a committee of experts to deal with counter-propaganda against Communist propaganda. There was insufficient time to consider fully the implications of these and other proposals, but the Permanent Council has been given the broad directive of examining and implementing all measures which will bring about closer cooperation between members of the alliance, as envisaged in Article 2.

Conclusions

16. This meeting emphasized the growing importance of the political aspects of NATO. Although important decisions were taken on military matters, most of the preparatory work had been done beforehand. Ministers were therefore able to devote most of their time to consultation on non-military subjects. The discussions reflected in part the concern of the Ministers over the new initiatives of the Soviet Government in diplomacy and economic assistance. The final Communiqué, which for the first time was mainly drafted by the Foreign Ministers themselves, especially by Dr. von Brentano and M. Spaak, was deliberately designed to draw public attention to their unanimity on the Germany problem. The meeting demonstrated that member Governments attach as much importance to maintaining the unity of the alliance as to its military strength.

CHAPITRE III/CHAPTER III
RELATIONS AVEC LE COMMONWEALTH
COMMONWEALTH RELATIONS

PREMIÈRE PARTIE/PART I

RÉUNION DES PREMIERS MINISTRES DU COMMONWEALTH,
31 JANVIER-8 FÉVRIER 1955
MEETING OF COMMONWEALTH PRIME MINISTERS,
JANUARY 31-FEBRUARY 8, 1955

241.

L.B.P./Vol. 19

Journal du secrétaire d'État aux Affaires extérieures
Diary of Secretary of State for External Affairs

SECRET

COMMONWEALTH PRIME MINISTERS' CONFERENCE
LONDON, JANUARY-FEBRUARY, 1955

Saturday, January 29, 1955

We arrived at 2.20 p.m., London time, after a very good flight. Gander, however, was in the midst of a howling winter blizzard, and it was good to get out of there. There was quite a crowd to see us off, with the usual press, TV, photographers, etc.

I dined on the plane with the Prime Minister and his daughter, Madame Samson, who was making her first flight. She seemed in better spirits about it than the P.M., who is tired and rather low in mood, and not looking forward much to the London meetings.

My own participation in the conference was so sudden that it is hard to realize that I am here. It was only on Thursday that Norman Robertson phoned from London to the effect that Eden was anxious that I should come across if at all possible; especially in view of recent developments over Formosa which he wished to discuss with me. The P.M. was, I think pleased to have me go along, but a little worried as to the interpretation which might be given to my last-minute inclusion in the delegation. I wrote him a short statement to give to the House on Thursday afternoon which attempted to explain the matter in unexciting terms, and which was pretty well received.¹

We have on our delegation Jules Léger; Ross Martin and Jim Cross of the Prime Minister's office; and Don Cornett from External Affairs.

There was quite a crowd to receive the P.M. at London Airport, including Lord Swinton and Norman Robertson. However, we got through the ceremonial part without too much delay and were in the "dear old Dorchester" by tea time.

¹ Voir Canada, Chambres des Communes, *Débats*, 1955, volume I, pp. 845-847. Voir aussi le document 710.

See Canada, House of Commons, *Debates*, 1955, Volume I, pp. 801-803. See also Document 710.

I dined that evening with Norman Robertson and Mitchell Sharp, who had come over from Geneva, where the GATT delegation are very worried by what they considered to be the completely negative approach to GATT matters we are taking in Ottawa. We talked about this for some time and I think I cheered Sharp up by telling him about my conversation on Friday with C.D. Howe and Walter Harris, as a result of which they will be given more leeway, especially in their negotiations with the Americans.²

Sunday, January 30, 1955

I motored through the country this morning to have lunch with Eden at the Foreign Secretary's new country place, Dorney Wood, which was recently given to the nation by Courtauld-Thomson. It is a rambling structure filled with the most amusing collection of Victorian furniture, bric-à-brac and odds and ends — much of it junk, but some of it very beautiful.

The Prime Minister of New Zealand, Mr. Holland, (who told me to call him Syd!), was also there, and Dennis Allen, the Far Eastern expert at the Foreign Office.

We spent a couple of hours discussing Formosa, about which Eden is very worried. Our views seem to be along the same line; to do what we can to hold the Americans back from rash support for Chiang Kai-shek, but, at the same time, to appreciate the Administration's political difficulties. Holland, who had just come from Washington, is not so worried and seems satisfied with U.S. policy. I am afraid he was talking in Washington only to the "good people".

This evening I discussed GATT matters further with Mitchell Sharp who had had dinner with the P.M. and was going back to Geneva in the morning in a much happier frame of mind. He is quite right in his view that we should not sulk in the corner at Geneva, merely because we have been unable to get our own way with the Americans in the matter of the 'waiver'.

I also discussed with the Prime Minister tonight his Guildhall speeches about which he is very worried. If he were in good condition he would take this sort of thing in his stride, but his fatigue and rather low spirits make him unduly apprehensive about public speeches of this kind in London; from a French-Canadian. We will have to cheer him up, and as a first step, I have undertaken, with Norman Robertson, to write him a new speech. He doesn't like the Ottawa drafts.

Monday, January 31, 1955

The Commonwealth Conference opened this afternoon at No. 10, with the inevitable preliminary formalities, photographs, etc. After that we moved to the historic old Cabinet room and got down to business at once. Sir Winston spoke two or three times during the afternoon on the international situation, and he was in really magnificent form — vigorous, imaginative, impressive, and picturesque. He also has the same old mischievous glint in his eye. Because he is deaf, his whispers become shouts, and it was amusing to hear him interrupt speakers by addressing observations to Sir Norman Brook (who is the Secretary of the meetings) some of which the rest of us were certainly not meant to hear.

It is fascinating cross section of the world which is represented at this conference, with about as many views as there are governments, but everybody very sincerely anxious to benefit from the viewpoints of the others and to find the highest common denominator of agreement. That, after all, is the value of the Commonwealth association. One could hardly imagine personalities and policies so different than those of, say, Nehru and Sir Godfrey

² Voir/See Document 114.

Huggins from Rhodesia, and yet there seems to be a “family approach” to problems which is encouraging, almost unique.

Nehru, for instance, discussed the state of the world today in purely Indian neutralist terms, very friendly but very detached, while Holland kept referring to the “British Empire”, and even, on one occasion, to “our England”! The South African representative, a 6’5” Cabinet Minister named Swart, made a good impression in his obvious desire to impress on the others that he was glad to be there and to show that the new Government in South Africa is not composed of isolationist ogres.

Nehru gave us a rather dramatic picture of his visit to Peking and his interpretation of recent Chinese developments in which he emphasized again that the Chinese revolution is more economic, nationalist and socialist than Communist; far more Chinese than Cominform. In his mild manner he criticized the rest of us for the basic unreality of our attitude toward China in refusing to recognize facts. Incidentally, Mohammed Ali took almost the opposite viewpoint, and was just as free with such expressions as “defence of the free world” as Menzies or Holland. Our own Prime Minister’s intervention was short but effective. He commands great respect here.

Toward the end of the meeting Sir Winston made a really eloquent and moving defence of the United States against the unfair criticism which is often levelled at it. I wonder what kind of an impression this made on Nehru. He also paid a glowing tribute to his Foreign Secretary, which was echoed by other people around the table. Eden’s star is very much in the ascendancy at the moment. He is no longer the heir apparent, he is the heir.

After the meeting there was the usual Lancaster House reception given by the Swintons, at which one fleetingly met everybody and got exhausted in the process.

Dined alone at the hotel and spent some time afterwards with the P.M. discussing Far Eastern matters and, more particularly, those damned Guildhall speeches.

Tuesday, February 1, 1955

The Prime Ministers’ Conference resumed this morning at 11.00 — my own conference having begun at 9.30 when I saw the Canadian journalists who are here. Yesterday it was agreed at Downing Street that, as is customary, we would issue a daily communiqué which told nothing and that would be all. As is customary also, each delegation is seeing its own press and tells more. However, the Downing Street conferences really are secret, with very little press pressure, so I confine my talks with our own journalists to background, fill-ins and colour!

Eden this morning gave an impressive analysis of recent European developments leading up to the Paris agreements, during which he was good enough to say I had played some part in all this. He was clear, comprehensive and even dramatic; at his best — with Sir Winston, puffing at one of those out-size cigars he is always pressing us to smoke, quite pleased with the performance of his protégé.

Again we went round the table, with our P.M. beginning. He made a most useful statement on Canada’s support of the Paris agreements.³

The “old man” (W.S.C[hurchill]) was very impressive on Germany; recognizing the element of risk but asserting that it was the part of statesmanship “to forgive and forget,

³ Cela renvoie aux accords négociés en 1954 concernant la restauration de la souveraineté allemande. Voir Volume 20, le chapitre 3, 4^e partie.

This refers to the agreements negotiated in 1954 on the restoration of German sovereignty. See Volume 20, Chapter 3, Part 4.

and if you can't forgive, forget". "Fear from the past must not determine the pattern of the future", etc.

Only Menzies introduced a controversial note when he expressed regret that the U.K. had not consulted them before giving the 44-year pledge. Eden pleaded no time (which was true).

Nehru wondered whether 12 German divisions were worth the increased tension that rearming Germany would cause, and he was given the usual reply.

The Foreign Secretary then gave a lucid and, on the whole, optimistic review of developments in the Near and Middle East, stressing that there could be no assurance of stability in that area, however, until economic conditions had improved and the Israel-Arab feud had been healed.

Nehru didn't like the proposed Turkey-Iraq Treaty, and Mohammed Ali did!⁴

In the afternoon the Defence people took over at 10 Downing Street and the "old man" was in his element, with pungent comments as the Chairman of the U.K. Chiefs of Staff, Admiral McGregor, a salty old sea dog, unfolded the general defence picture, dwelling particularly on the magnitude of U.K. commitments. Then we all replied — except the Asians — by emphasizing the magnitude of our own defence efforts. Our P.M. took advantage of the occasion to explain what we and the Americans had to do in the Arctic re continental defence; now for the first time a vital necessity in the general strategy.

Harold Macmillan spoke well for the U.K. He knows his subject and is more at home explaining it than Alexander ever was.

Tonight an experience that, for me, put the conference temporarily in the shade. The Royal Box at Covent Garden, with dinner before, during and after the Ballet in a cozy little room behind the Box. That was good, but even better was the fact that it was Margot Fonteyn in Giselle — wonderful dancing. She joined us after the show for the coffee, but Winthrop Aldrich kept interfering with my efforts to become better acquainted with Margot: silly old man!

Our hosts tonight were the Waverleys. Others, the Aldrich's, the Heads (Secretary for War) and the Kirkpatricks.

Lunched today with the Butterworths (U.S. Embassy). I want to keep him informed of what is going on at 10 Downing Street. I think the Americans should know, especially, of our Far Eastern discussions — and particularly when their viewpoint on issues is being put forward. We must make sure that they do not think that the Commonwealth is "ganging up" on them. There certainly is no basis for any such view, though we are all pretty uneasy about Formosa — or rather about the obstacles in the way of the President carrying out what we hope is his policy regarding "disengagement" from the off-shore islands.

This was our P.M.'s birthday and appropriate references were made to it by Sir Winston this morning. As for Mr. St. Laurent, he gives the impression that he is trying to forget it!

Wednesday, February 2, 1955

This morning the "old gentleman" had his chance to discuss the world and the H-Bomb, and he made the most of it.

I happen to sit right across the table from him and it is a fascinating pastime to watch him; his cherubic "baby" face, at times gleeful, at times petulant, at times impish and at times sombre and dramatic, but never in repose. He also fiddles around with his hearing

⁴ Pour une évaluation canadienne de ce traité, voir le document 570.

For a Canadian assessment of this treaty, see Document 570.

aid, his pencil, his inevitable cigar, like a curious and eager small boy. He seems to keep up a prodding interest in whatever Norman Brook, who sits beside him, is doing; or he busies himself with ordering the window to be opened, or something else to be done. He often peers at me over his glasses as if he is wondering what I may be up to. Everything he does is dramatized and is full of life.

He really let himself go on the H-Bomb — the shattering implications of which, on our society, he has fully grasped. His sweeping imagination and range of mind has sensed that this discovery has made all the old concepts of strategy and defence as out of date as the spear or the Macedonian phalanx. He is horrified and comforted at the same time; by the immensity of the bomb, and by its value as a deterrent against Russia. He finds solace in the fact that the Moscow men are cold blooded realists who know what power means and don't wish to be destroyed. So he thinks the bomb may mean the destruction of war, not of humanity. As he puts it in concluding his statement, "It was an ironic fact that we had reached a stage where safety might well be the child of terror and life the twin of annihilation". He loved rolling out these words.

Nehru was not comforted by the prospect. He had his own words, "of hovering indefinitely on the brink of terror". He wanted to know what we were going to do about it. Nobody seemed to know except to keep armed, keep trying to disarm and hope that the Russians would eventually — "you can't trust 'em now", said Menzies and Holland — become reasonable and stop fearing us or making us fear them.

Our P.M. remained silent, even when, later, Salisbury gave a statement on atomic development for peaceful purposes in the U.K., which rather suggested no one else in the Commonwealth had made any progress in this field.

One important statement did emerge from the morning meeting — the U.K. have decided to make the H-Bomb. They think that their own process, which they have worked out without any help from the United States, is probably better and cheaper than that of the Americans. Churchill was pleased about this, because the refusal of the United States to live up to their war-time pledge of atomic co-operation obviously still rankles.

I had a few in for cocktails this evening — Bruces, Patsy Greene, Molly Pattison and Mary, Admiral Bromley, Frederic Hudd and Peggy.

Afterwards, I adorned myself for the dinner at Buckingham Palace, but only in my second-best studs as I had loaned my best to the P.M. who had forgotten his. It was a very gala evening, with a lot of pomp and ceremony, gold plate, etc. I was between Lady Dorothy Macmillan and Lady Jowett, and had quite a long talk afterwards with The Queen — very lovely, but with a hostess's worry that people "weren't mixing up"; — also chatted with the Duke of Edinburgh. Churchill there, right to the end, in his Garter knee breeches, but it was all too much for Mr. Attlee, who fainted after dinner. Everybody much worried, but he soon came to and insisted on remaining until The Queen left.

Sir Winston sprang a shock on the P.M., and others, tonight. He wants us to agree to recommend that the Duke of Edinburgh should be given the title, "Prince of the Commonwealth". This is a silly idea and the P.M. gave it no encouragement. Norman R[obertson], Swinton, and Michael Adeane went into a huddle about it in a Palace corner. We must stop this proposal, which no one really wants but the "old man". However, he is lobbying hard and ruthlessly for it. He even buttonholed me on leaving tonight and said that I must help by persuading "my boss" to agree to his proposal.

Lunched today at the Edens. Afterwards I told Anthony and Harold Caccia about our idea for a neutral zone in the Formosa Straits, if neutralization of the island itself becomes impossible.⁵ They expressed great interest and I sent Caccia some details later.

Thursday, February 3, 1955

This morning was devoted to economic matters at the Conference and Rab Butler had his innings (which reminds me that Menzies is very gloomy over — not Formosa — but the Australian defeat in the Test Match). He gave us quite a lecture, in rather a school-masterish manner, about the state of the nation's and the Commonwealth's finances. By "us", however, he made it quite clear that he meant the "sterling area". The P.M. and I felt like interlopers. We could not very enthusiastically join in the cry "save dollars", "cut down dollar purchases". But the P.M. made a good statement on GATT difficulties and our problems of trade with the United States.

Sir Winston was very puckish about the whole subject. Described Rab's speech as "optimism, wrapped in caution", admitted to heretical views himself about finance, coming out for a commodity currency which would be "the servant not the master of man". He confessed, however, that he was glad that he would not be asked to convert his heresies into policies. He described South Africa as having no economic problem because all they had to do was go out with a shovel and dig up gold or uranium!

Lunched with Michael Adeane and Tommy Lascelles. The former gave me more background on the "Prince of the Commonwealth" proposal, which seems to have been conjured up by Menzies and W.S.C[hurchill]. The Palace is neutral about the idea but, strangely enough, Nehru doesn't seem to mind. Tommy, who is very wise about these things, is all against it.

No meeting this afternoon, so worked in the hotel, and discussed, unsatisfactorily, plans with Krishna Menon on how to settle the Formosan problem. Third time I have seen him!

Took another shot at the P.M.'s Guildhall speeches over which he is still agonizing. I never have seen him so worried about any other public occasion. This one has got on his nerves and he keeps chopping and changing at his drafts which, of course, get progressively worse.

Tonight, dinner at 10 Downing Street, followed by a reception there — very glittering, with the "old man" in great form. I sat between Herbert Morrison's Lancashire bride, who talks exactly like Gracie Fields, and Attlee, who doesn't talk much at all. He seemed none the worse for his mishap last night, but is aging almost as quickly as their P.M. A good little man.

These receptions are really very exhausting, especially when you have to be on your Commonwealth best behaviour.

Had some words with Eden and Nehru and suggested a private meeting between them and our P.M. for the kind of frank exchange on Formosa which we aren't having at the full meetings. Krishna and I have cooked this up, but I told him that I wouldn't pursue it unless Nehru was keen about it. Apparently Nehru is.

Friday, February 4, 1955

This morning's meeting began with Pakistan's announcement that she was going to become a Republic, but would like to stay in the Commonwealth. Mohammed Ali cut the monarchical tie very gallantly, by swearing continued devotion to the Crown and the Com-

⁵ Voir/See Document 712.

monwealth. He even said that this step would have no effect on Pakistan's feeling of Loyalty, affection, etc., and then, incongruously, added "allegiance".

The "old man" was deeply moved and all his feelings were stirred by this, to him, very unhappy development. He was presiding over one more stage, he probably thought, in the "dissolution of the Empire". It was very hard for him, but he rose to the occasion and said all the right things about freedom of choice, and how happy he was that the New Republic would stay in. All the others echoed this, though Holland was a little blunt in his expressions of regret. Nehru tried to get a bit technical on the constitutional position, and Mohammed Ali pulled him up very sharply. The veneer of good feeling between those two countries is pretty thin.

It was ironical to hear Mr. Swart give approval to Pakistan becoming a Republic in the Commonwealth. I wonder if and when his government will be asking for it. Also he didn't much like the word "unity" in our communiqué on this matter, but yielded gracefully when told the expression used was exactly the same as that agreed to by Mr. Malan at the P.M.'s meeting when India was accepted as a Republic.⁶

Later in the morning we got back to Formosa and the Chinese blunt rejection of the invitation to go to New York. Much gloom — but all felt that it would be wise to say as little as possible and "play it easy". There was obviously no point in the Security Council going on discussing the matter, and there was also no point, and some danger, in this Conference making resounding pronouncements on the subject and offering the United States a lot of advice.

I spoke for the first time this morning. The P.M.s are supposed to do the talking, but in answer to a direct appeal from Eden, I gave my own views, which are summarily recorded in the minutes as follows:

"Mr. Pearson said that if the question were simply dropped in the Security Council, it would be a clear demonstration that the Security Council was powerless to take any effective action which was not approved by the Peking Government. The terms of the Chinese reply suggested that this might be exactly what the Peking Government had wished to demonstrate. On the other hand, if we proceeded with a resolution, it was likely to be vetoed in the Security Council, and this would inflame United States public opinion. The United States Administration might then feel themselves compelled to take some further action, in the Security Council or elsewhere, which it might be difficult for the rest of the free world to support; and if we did not support the United States, it would be seen that the Western Powers were divided, which would be a victory for Peking. We should therefore try to avoid taking any action until we saw how public opinion in the United States was developing."

The above gives a very inadequate impression of the sensation caused by my brilliant remarks!

Lunched today with Rab Butler, who gave me some advice as to how to get on with Dulles! He is a strange person — a mixture of hard-boiled arrogance, and a childish ingenuousness. He also has great confidence in his ability and in his star. He spoke of his

⁶ Pour le point de vue du Canada sur la demande d'admission du Pakistan en tant que république, voir le document 291. Pour le communiqué des premiers ministres du Commonwealth sur le Pakistan, voir Canada, Ministère des Affaires extérieures, *Affaires Extérieures*, volume 7, N° 3, mars 1955, p. 83. For Canadian views on Pakistan's request to be admitted as a republic, see Document 291. For the Commonwealth Prime Ministers' Communiqué on Pakistan, see Canada, Department of External Affairs, *External Affairs*, Volume 7, No. 3, March 1955, pp. 75-76.

wife, who died in tragic circumstances only a month or so ago, as if she were not present because she had gone shopping.

Went to see Madame Pandit this afternoon — a courtesy call which certainly turned out to be only that.

Tonight a very nice dinner at the Robertsons; my partner the intelligent and very nice Lady Reading. I've been lucky at these dinners, with Lady Macmillan at Buckingham Palace, and the new Mrs. Herbert Morrison at No. 10.

After dinner we went to an enormous reception at Guildhall from which I escaped as soon as possible. I'm running out of social energy and dress shirts.

Saturday, February 5, 1955

A very interesting meeting at Eden's office this morning, ostensibly to talk about Indochina, but really to exchange views — à trois — about Formosa. Nehru was flanked by Krishna (who kept whispering in his ear), Madame Pandit who kept looking disapprovingly at Krishna, and Pillai who kept looking inscrutable.⁷

I put forward a suggestion that, pending the appointment of a small U.N. Good Offices Committee to consider the problem, or even before considering one, we should try to get a reassurance from Washington that they are going to get Chiang's people out of all the islands; and a reassurance, via India, from Peking that they will not interfere with any of these operations. In short, the policy should be "peaceful disengagement". If we can get these assurances, then we should let each side know, privately, of the other's policy. Eden and Nehru seemed impressed by this and the British will draft the necessary message to Washington. They did so and Caccia brought it around this afternoon, when N.A.R[obertson], Léger and I suggested some changes.

Eden also read us this morning Molotov's proposal for a conference.⁸ The Americans will never be able to accept it in its present form, but Eden thinks the Russians are serious in their desire to avoid trouble over Formosa and will try to influence the Chinese accordingly. I wonder.

Nehru was quite bitter about American policy, and resented, as an Asian, their bullying and threatening tactics. He obviously doesn't feel the same resentment when Chou bullies and blusters, because Chou is not so much a Communist as an Asian!

Blessed relief this afternoon. Saw 'Arsenal' play football from the directors' box. Very cosy.

Dined with the P.M. quietly in the hotel, when we discussed his Monday speeches (again), certain Canadian political developments, etc. Afterwards did a couple of new pages for the speech.

The news from Formosa is not good, and I have had to cancel my flight to Paris tomorrow, as there will be too much to do here and people to see. Phoned the children accordingly and I feel very sorry for myself.⁹

⁷ Voir/See Document 715.

⁸ Voir/See *Documents on International Affairs, 1955*, London: Oxford University Press — Royal Institute of International Affairs, 1958, pp. 450-452.

⁹ Le fils de Pearson, Geoffrey, était troisième secrétaire à l'ambassade à Paris. Pearson's son Geoffrey was third secretary at the Canadian Embassy in Paris.

Sunday, February 6, 1955

The Butterworths and the Bruces both wanted me to lunch in the country. It was a lovely day. I hated not to go, but there were too many telegrams to study and other things to do. Incidentally, I had also been invited to Chequers where Sir Winston was entertaining the Prime Ministers, but I had to pass this up too.

During the afternoon Krishna Menon came to see me with Norman Robertson. He said that the Indian Government had already sent a message to Peking on the basis of yesterday morning's talks, advising them strongly not to interfere with any evacuation operations off the China coast. He felt that the main thing now was to keep the Security Council from meeting while we proceeded to work out some form of Good Offices Committee which might hold the line until conditions became suitable for a conference under the aegis of the United Nations. He certainly has in mind Canada and India being on the Good Offices Committee, but we gave him no encouragement on that score, even if one should ever be set up.

Krishna was much more constructive and moderate in his approach than he usually is, and was even prepared to listen, without exploding, to our defence of the policy of the American Government and the attitude of the American people.

After he left Walton Butterworth and Andy Foster of the American Embassy called to show me some messages which had come from Washington which they thought would be reassuring. I said that the thing that worried us most at the Commonwealth meeting was the possibility that the United States Government, in order to get the Nationalist Chinese out of the Tachens might have committed themselves to the defence of Quemoy and the Matsus. Butterworth produced a message from Washington which was designed to remove our fears on this score, and which stated that no such undertaking had, in fact, been given by Washington to Chiang Kai-shek.

For a change, had a "home" meal at the Bruce's which was very welcome.

Monday, February 7, 1955

At 10.45 I was led around an exhibition of Canadian paintings by Messrs. Armstrong and Hudd. It was a mixed bag, some good and some bad, and shown under the auspices of the Agent General for Ontario.

At 12.00, in borrowed formal finery, I went to Guildhall where the P.M. got the Freedom of the City in a ceremony which is almost as historical and impressive as the coronation. It is redolent of the Middle Ages, but done magnificently, as all ceremonies over here are. The P.M. was magnificent also, not only in his bearing, which is always fine on these occasions, but in his words which as it happened, and after so much 'blood, sweat, and tears', turned out to be just right for the occasion. He acknowledged gracefully the Freedom, which was conveyed to him in what the Chamberlain called "a little box" which might serve as "a little memento of the occasion of his visit to London". The little box and the little memento turned out to be a most beautiful gold casket.

Afterwards lunch at the Mansion House, also with much pomp and ceremony, at which the P.M. had to speak again. This also, in spite of forebodings, went over very well, but as I told Norman Robertson afterwards, the P.M. could read the London telephone directory and make it sound sincere and moving.

The conference reconvened at 3.30, when Eden gave us a review of weekend developments, and indicated (as we had agreed Saturday) that he had sent a message to Makins to see Dulles at once and get some reassurance, if possible, that the United States was not going to intervene on behalf of Chiang Kai-shek in the off-coast islands if the Communist

attacked. Makins apparently does not think much of this idea of a further approach. We then discussed the undesirability of the Security Council meeting this week, at which I put in a few words. Menzies spoke quite vigorously to the effect that it would be monstrous if the off-shore islands became a *casus belli*, but that it would be equally unwise not to support the Americans in the defence of Formosa.

Then the "old man", who is getting progressively more tired as the conference goes on, made a long and, as I thought, very unimpressive statement in defence of Chiang Kai-shek as an "ally whom, in honour, the United States could not abandon".

Finally, we considered the draft of the communiqué and here Sir Winston returned to his best form. He loves drafting and it was amusing to watch him play with words. It was not so amusing to hear Jooste say that the South Africans could not agree to the concluding paragraph where there was too much mention of non-discrimination and personal liberty. This made the "old man" very annoyed, but the South Africans managed to get the "offending" words omitted. Otherwise, we would have had no agreed communiqué at all.

I rushed away from the meeting to attend a small party I was giving for some British editors and diplomatic correspondents, and then rushed away from that to attend a dinner in the House of Commons given by the Tweedsmuir for Holland. This is a husband and wife parliamentary team, John being a member of the House of Lords, and his wife being a Member of the House of Commons for Aberdeen. There was much good talk, but not many words in support of American policy in the Far East.

I took advantage of this occasion to have a few private words with Harold Macmillan, who was one of the guests. Just before the meeting had adjourned in the afternoon, Sir Winston read to us a personal letter which he was proposing to send to his old friend "Ike" — this time about Formosa. We became more and more alarmed as he went on. He was going to give the President some advice. He should adopt the following policy:

- (1) Force the Chinese Nationalists to withdraw from the coastal islands;
- (2) Tell the Peking Régime that any interference with this operation would mean war, with all weapons used;
- (3) Assure him that the British would be behind him in this eventuality;
- (4) Join the United States in a defence guarantee for Formosa.

This was a pretty startling thesis, especially when Eden was about to send a despatch to Washington advising the government to adopt a different course.

The Prime Ministers were glumly silent about it this afternoon, and tonight I told Macmillan that I thought it a great mistake for any such letter to be sent. He told me not to worry, that the "old man" was just trying it out on the P.M.s and as a result of their lack of enthusiasm the letter would never go. I wonder.

After dinner, dealt with a large mail from Ottawa and then, midnight, discussed the revised communiqué with Norman [Robertson] and Jules [Léger]. They had been at the drafting committee meeting.

Tuesday, February 8, 1955

Last day of the conference and I am beginning to feel as tired as Sir Winston now looks. The "old man" should not have tried to take in the Mansion House ceremonies yesterday. It was very sporting of him.

This morning, responding to Menzies' criticism yesterday that we were spending too much time on Formosa and not enough on Japan, Southeast Asia and other Far Eastern

problems (what about Europe?), Eden gave a review of U.K. long-term policy in the Far East; what were the intentions of Peking, how would Japan move, etc.

Menzies spoke well and wisely about Japan, after which Nehru made his longest intervention, devoted to long-term developments in Asia. He argued the folly of maintaining an attitude of hostility to a dynamic revolutionary situation such as we have in China, because this merely benefits the revolutionaries. Menzies and Eden made the obvious rejoinder. How can you become friendly with a régime which, by its words and deeds, refuses you the opportunity?

Nehru at one point quoted with approval some words used by Dulles in New Delhi a few years ago. "The system of government which pays most dividends in economic betterment and human happiness to the people will win". The existing governments in Formosa, Indochina and Thailand, were reactionary and corrupt and as totalitarian as communism, and not likely to pay such dividends.

He admitted, however, that co-operation and co-existence with communist governments required the maintenance of a good supply of dry powder!

Sir Winston wound up by describing the situation in the Far East as a deadlock. But, he added, we should not forget that "we sit here under the shield of the United States, and we will not quarrel with her over Far Eastern developments, though we will advise and try to influence her."

Eden looked almost as uncomfortable as Nehru, or more so. Nehru conceals his reactions better.

This morning also we took a look at the revised communiqué, now reduced to a few paragraphs with most of the vigorous words removed. Winston played around with it for a bit but didn't get as much fun out of it as yesterday.

In the midst of our discussion a note was sent in to Eden, who passed it on to Churchill, of Malenkov's "resignation". Very dramatic, and the "old man" made the most of it, with a few pungent comments. He was vastly intrigued at the reason given for Malenkov's fall — "failure in agriculture" — and hoped that they would find a better excuse here if they ever wanted to fire him! I intervened to say that failure in agriculture certainly meant that he would soon be ploughed under. But Sir Winston felt that "he would be sent to Siberia or, more probably, to Beria!"¹⁰

Before we adjourned this morning Eden read us Makins' account of his interview with Dulles; very disturbing because Dulles indicated that if Quemoy were attacked, the United States, if requested, would come to the help of the Chiang troops. This is dangerous and frightened us all.

In the afternoon — our last session — Holland read us a message from Munro, whose talk with Dulles confirmed our earlier fears from the interview with Makins.

Eden then read a very stiff telegram he proposed to send to Washington stating quite frankly that the Americans could not count on any support from the United Kingdom if they intervened to help Chiang on these islands. We all supported this point of view, except Winston, who thought the language too strong and the policy of declared separation too risky. He was tired, depressed and spent a good deal of time playing around with Eden's draft while the rest of us sat and said nothing, until Menzies intervened very effectively, from a written brief, analyzing the dangers of the American position.

¹⁰ Concernant la déchéance de Malenkov, voir le document 526.
On Malenkov's fall, see Document 526.

We were obviously getting nowhere — the Chairman was very tired — so I suggested to our Prime Minister that he wind up the proceedings by saying a few kind words about Sir Winston. This he did very gracefully and Churchill (deeply moved because he must have known this was the last time he would preside over a Commonwealth meeting) said a few words in reply, and then we just drifted away. It seemed a rather sad, unsatisfactory and somewhat untidy ending to our conference.

Eden wanted to see me afterwards about the Washington situation and I told him that the line he proposed to take — and from which I hoped he would not be diverted — was the one that we too would follow.

He also wanted to talk about another very ticklish matter we had been privately examining, “alerts” and “early warning” arrangements with the United States.

Met the Press with the Prime Minister afterwards at the hotel, then dinner with N.A.R.[obertson] when we talked of Canada House problems. At 9.30 we went out to the airport. Soon — after the usual ceremonial farewells — we were on our way, winging across the northern skies to home.¹¹

242.

DEA/50085-D-40

*Le haut-commissaire au Royaume-Uni
au secrétaire d'État aux Affaires extérieures*
*High Commissioner in United Kingdom to
Secretary of State for External Affairs*

TELEGRAM 130

London, February 2, 1955

SECRET

COMMONWEALTH PRIME MINISTERS' MEETING: SECOND PLENARY SESSION

Far East

1. Yesterday's meeting continued the discussion on Formosa straits. Sir Anthony Eden said that a message had been drafted to the British Ambassador in Washington indicating the desire of the British Government to find a basis on which they could work closely with the United States in the Far East and on which American policies would command the support of public opinion throughout the free world.¹² While British public opinion recognized the reasons against handing the inhabitants of Formosa over to Communist rule, and the special juridical status of Formosa and the Pescadores, there was doubt about United States intentions in respect of the coastal islands and the use of Formosa as a base for operations against the mainland. It would be valuable if the United States Government could state publicly that they proposed to encourage the Nationalists to evacuate all the coastal islands and to prevent the use of Formosa and the Pescadores as a base for hostile activities. The message concluded by asking whether, if this were impossible, there was anything the United Kingdom or New Zealand Government could do to this end. Sir Winston Churchill added that he thought it inexpedient for the United States to base their case

¹¹ Pour un compte rendu officiel de la réunion des premiers ministres et le communiqué final, voir Canada, Ministère des Affaires extérieures, *Affaires Extérieures*, volume 7, N° 3, mars 1955, pp. 75-82.

For an official report on the Prime Ministers' meeting and the final communiqué, see Canada, Department of External Affairs, *External Affairs*, Volume 7, No. 3, March 1955, pp. 71-78.

¹² Voir aussi les documents 714-715/See also Documents 714-715.

on strategic arguments and that the outcome of a major war would be determined by nuclear weapons, to which the occupation of Formosa was irrelevant.

2. Mr. Nehru, while not agreeing entirely on the juridical status of Formosa, thought an indication of United Kingdom views would be useful at this juncture. Both Mr. Menzies and Mr. Holland questioned the suggestion that it was inexpedient to use strategic arguments, since from their point of view it had considerable validity in the context of defence in the Far East and South East Asia, and Formosa was of strategic importance to both Australia and New Zealand.

Europe

3. Sir Anthony Eden reviewed the developments leading up to the abandonment of EDC and the present attempt to associate the Federal German Republic with the West through the Paris Agreements. He recognized that the ultimate aim of the Germans was to achieve reunification, but suggested that if Western European Union became a reality Eastern Germany might be increasingly drawn to the West, and the Russians might be ready to negotiate. He did not think that the Russian opposition to W.E.U. was due so much to fear of a revived German army as to the feeling that a successful W.E.U. would stand in the way of their long-term aim, the collapse of Capitalism.

4. With the exception of Mr. Nehru and Sir John Kotelawala (who did not speak) other Prime Ministers supported the general policy outlined by Sir Anthony Eden. Mr. St. Laurent pointed out that Canada had twice in his generation been involved in world wars originating in Europe and, in the absence of sufficient insurance under the United Nations against this risk, had taken an initiative toward the establishment of the North Atlantic Community. For similar reasons Canada had supported the concept of EDC, and had later been glad to follow the leadership of the United Kingdom in seeking a practical alternative. Now, in Western European Union, there was an opportunity for France and Germany to forget their historic rivalries. Western European Union and NATO did not cut across the ties between Commonwealth countries, but on the contrary strengthened that relationship, and anything which would reduce tension in Europe would benefit not only Europe, but the whole world.

5. Mr. Nehru suggested that a German contribution of 12 divisions would be of little military value in a nuclear war, and that while there might be psychological advantages in integrating Western Germany with the West, there were also psychological disadvantages such as the danger of mounting tension because of increased Russian fears. He therefore asked whether this might not be too high a price to pay for a small military gain. Sir Anthony Eden said that the main advantage of Western Germany's participation in NATO was that it would align her with the free world. If Western Germany became Communist, or if it remained independent and was ready to sell its support to the highest bidder, it would become once more a serious menace to the peace of Europe. In answer to Mr. Nehru's question about the military value of German rearmament, Sir Winston Churchill said that nuclear power alone would not suffice to provide an adequate deterrent in Europe. Some front had to be held to avoid infiltration by Communist forces, and to provide a warning of attack. From a military point of view the German contribution was a subsidiary, but still substantial, factor in the common defence. It was, however, so small in relation to the forces available to the Russians that it clearly could not constitute anything like a military threat to Russia.

Middle East

6. Sir Anthony Eden introduced this subject by pointing out that the complex situation in the Middle East was fundamentally an economic problem, in which a major factor was the

revenue which some of the countries derived from oil, and that the main political problem was the conflict between Israel and the Arab states. Until some progress was made towards a solution of this conflict, there could be no real stability in the area. Detailed proposals were now being worked out with the United States in an effort to bring about a rapprochement, but the situation was extremely delicate and these consultations must be treated as particularly secret.

7. With reference to the intention of Turkey and Iraq to enter into an alliance, Mr. Nehru said he doubted whether small-scale military pacts, which tended to cause disruptive feelings among the countries in the area, served any useful purpose. On this point, Mr. Mohammed Ali said that according to his information feeling in the Arab League was almost equally divided on the Turkish-Iraq Pact. He had himself told the Prime Minister of Iraq that Pakistan was perfectly agreeable to Iraq starting negotiations with a view to subsequent agreement with Pakistan, though he had suggested that Egypt would be against such a proposal. He thought the Egyptian Government were jealous about agreements with other Arab states and the West because they realized that such agreements diminished Egypt's bargaining power. He agreed that stability in the Middle East depended on an improvement in Arab-Israel relations, and suggested that a possible basis for a general settlement might be for Israel to surrender some territory for the re-settlement of Arab refugees. Arab countries had, however, a great fear of expansion by Israel and no agreement would be possible unless it were guaranteed by the United States and Western Europe.

[N.A.] ROBERTSON

243.

DEA/50085-D-40

*Le haut-commissaire au Royaume-Uni
au secrétaire d'État aux Affaires extérieures*

*High Commissioner in United Kingdom
to Secretary of State for External Affairs*

TELEGRAM 150

London, February 5, 1955

SECRET

Reference: My telegram No. 149 of February 5.†

MEETING OF COMMONWEALTH PRIME MINISTERS: SIXTH PLENARY SESSION

Far East

The second of the two sessions yesterday morning resumed discussion of Formosa. Sir Anthony Eden said that the answer from the Peking Government made it clear that they were not prepared to come to the Security Council on any basis likely to be acceptable to the majority of members, and showed a considerably different attitude from the less extreme line taken by the Russians. The reaction of the United States would not be good, and the Chinese reply would weaken the position of those in the United States whose policy was to evacuate Chinese Nationalist forces from the coastal islands, and would strengthen the position of those who were working to bring matters to a head. It is now necessary to consider our objective. It was perhaps too much to hope that a general settlement could be reached through such methods as an Assembly resolution or a special conference, and it would therefore be preferable to concentrate on trying to secure the

establishment of a neutral sheet of water between the mainland and Formosa. This could not be achieved by agreement except at a meeting at which the Peking Government was represented. There was, however, the possibility of a third course: to obtain an American assurance of withdrawal from all the coastal islands, coupled with an undertaking by the Peking Government that they would not interfere with the operation.

2. Sir Anthony Eden was apprehensive about proceeding with a resolution in the Security Council, where a Soviet veto would only demonstrate the division of opinion and bring China and Russia closer together.¹³ Moreover, the Americans might well then ask the United Kingdom Government what they proposed to do to support them, which would be extremely embarrassing since public opinion would not favour giving even moral support to defence of the coastal islands, still less support of a material kind. The only other course might be further private discussions with the Russians.

3. Mr. Holland said that he thought there would be great value in a period of delay, to give time for consideration. Under present circumstances the draft New Zealand resolution would almost certainly be vetoed, which would lead to further difficulty.

4. Mr. Pearson said that if the question were simply dropped it would be a clear demonstration that the Security Council was powerless to take any effective action not approved by Peking. The terms of the Chinese reply suggested that this might be exactly what the Peking Government wished to demonstrate. On the other hand, if we proceeded with a resolution, the probable Soviet veto would inflame United States public opinion. The United States administration might then feel themselves compelled to take further action in the Security Council or elsewhere, which it might be difficult for the rest of the free world to support. It would thus be seen that the Western Powers were divided, which would be a victory for Peking. We should therefore try to avoid taking any action until we saw how public opinion in the United States was developing.

5. Mr. Nehru agreed that it would be desirable to wait over the week-end. It was clear that if progress was to be made the Peking Government had to be brought into consultation. Any decision by the Security Council in their absence would be regarded by the Chinese as an order which they would not be prepared to carry out, since they could reasonably say that they did not recognize the UN.

6. Mr. Menzies also counselled delay. Action likely to follow a resolution in the Security Council might well exacerbate the Americans, forcing them to take a position from which it would be difficult to retreat. The best line might be for the Commonwealth to have private talks with the United States to see whether they could be persuaded to undertake the evacuation of Nationalist forces from the coastal islands.

If it were clear to Peking that the United States was taking constructive action of this sort, Peking might be prepared not to interfere with the evacuation.

7. Sir Winston Churchill said that it was essential always to appreciate how this situation was regarded by the Americans. Never before had such a great nation been threatened with war by so weak a power. We must be careful not to give any opportunity to those Ameri-

¹³ « Opération Oracle » était le nom de code d'une opération néo-zélandaise destinée à amener le Conseil de sécurité à se réunir d'urgence pour discuter de la crise dans le détroit de Formose. Voir United States, Department of State, *Foreign Relations of the United States (FRUS)*, 1955-1957, Volume II, Washington D.C.: United States Government Printing Office, 1986, pp. 129-134.

Operation Oracle was the code name for a New Zealand exercise to have the U.N. Security Council meet urgently to discuss the crisis in the Straits of Formosa. See United States, Department of State, *Foreign Relations of the United States (FRUS)*, 1955-1957, Volume II, Washington D.C.: United States Government Printing Office, 1986, pp. 129-134.

cans who saw advantage in bringing matters to a head now to say that their allies were of no use and that the United States must therefore act alone. It was by no means certain that the Russians would want to give the Chinese active support, since they would thus throw away all chances of surprise in the use of their own atomic weapons. It was contrary to Russian interest to commit themselves to support of Peking at this stage: knowing this, the Americans might well feel that they could safely take action against China alone. On the other hand, if the President could succeed in determining a sound policy based on a position of strength he could declare publicly that, since there was no purpose in negotiating with Peking, the United States Government had decided upon action which, with their overwhelming power, they would take. This action would be to ensure the safe evacuation of all forces from the coastal islands, and could be carried out in three months or less. If Peking should interfere, the United States would take such military measures as were necessary. It might well be that President Eisenhower would feel himself capable of valiant and daring action of this kind for peace, and it would be wrong to do anything at this moment which might make it more difficult for him to bring that about.

8. Sir Anthony Eden then informed the meeting that he proposed to send a telegram to the United Kingdom Ambassador in Washington saying that the Commonwealth Prime Ministers had been anxiously watching developments in China and were of the opinion that it would be wise to avoid any precipitate action in order to give time for reflection. The telegram might also say that the Prime Ministers have been much impressed by the calm and restrained way in which President Eisenhower was handling the situation.

9. The situation in Formosa Straits will probably be considered Monday afternoon. Ends.

244.

DEA/50085-D-40

*Le haut-commissaire au Royaume-Uni
au secrétaire d'État aux Affaires extérieures*

*High Commissioner in United Kingdom
to Secretary of State for External Affairs*

TELEGRAM 168

London, February 8, 1955

SECRET

Reference: My telegram No. 150 of February 5.

MEETING OF COMMONWEALTH PRIME MINISTERS: SEVENTH PLENARY SESSION

Far East

Sir Anthony Eden reported on Molotov's proposal of February 4th regarding the convening of a special conference, and commented that it was unlikely such a conference would be acceptable to the Americans since it would not include the Chinese Nationalists and would take the matter out of the United Nations. The United States Government had been informed that, in the view of the United Kingdom Government, no good results would come from further discussion of this issue in the Security Council, but that later on a conference might usefully be held, if possible under the United Nations. The essential preliminary was to bring the fighting to an end and for this purpose it was necessary to know what the United States wished eventually to achieve. While the United Kingdom would not regard the Soviet proposal in its present form as acceptable, the door should not be closed on the possibility of a conference, even if it were not held under the United Nations.

2. The United Kingdom Ambassador in Washington thought the United States would not be prepared to define their objectives even confidentially. While most of the administration probably realized that the Nationalists must eventually withdraw from the coastal islands, they would not admit this in public, and Mr. Dulles was likely to reply that he could not further clarify the United States position until the evacuation of the Tachens had been completed. Reluctance to offer further clarification would be due primarily to a desire to avoid making a major concession to Peking and lowering the morale of Nationalist China. The Ambassador therefore doubted whether it would be wise to press for further public statements and suggested that this might not be essential before approaches were made to Peking.

3. Sir Anthony Eden said there was also a report that Chou En-Lai had sent a telegram to Hammarskjold suggesting direct discussions with the United States might be possible.

4. Mr. Nehru said the Indian Ambassador at Peking had reported that the Peking Government broadly agreed with the Soviet proposal, but would also be ready to discuss the situation with the Secretary-General and with the United States, as the party principally concerned. They were not prepared to accept any proposal inferring recognition of the two Chinas. Mr. Menzies said that while uncertainty about the United States position was embarrassing, their policy was understandable and the best course seemed to be to allow time for passions to cool. Meanwhile, the evacuation of most of the coastal islands would probably have been completed. It would be monstrous if these off-shore islands became a *casus belli*. As regards Formosa and the Pescadores, on the other hand, while the juridical position was uncertain, they were strategically important and a surrender would lead to Communist infiltration into Formosa and the Philippines. It might be possible to secure a neutralized sheet of water between the off-shore islands and Formosa, but this depended on the real aims of Peking. If Peking wanted to destroy a substantial part of the Nationalist forces, the evacuation of the coastal islands might well be the occasion for hostilities. The Commonwealth included countries particularly well placed to sound and to influence China and the United States, and perhaps bring them to the point at which they could hold direct talks.

5. Mr. Holland agreed that there was little point in proceeding with a debate in the Security Council, although it might be necessary to consider the reply from Peking.

6. Mr. Pearson suggested that steps should be taken to prevent the President of the Security Council from calling an early meeting. However, any member could call a meeting, and in this case the best course would be to handle it as a procedural discussion, avoiding discussion of either resolution. There was always a possibility that if a meeting took place the United States might wish to go ahead with a cease fire resolution, even though Peking were not represented, and this might lead to difficulties.

7. Sir Anthony Eden said that it would be very difficult to get a resolution through the assembly which would command general support, and the immediate objective should be to discourage the Security Council from meeting. There was general agreement with this view.

8. Sir Winston Churchill concluded the discussion by saying that military dangers of evacuating Quemoy were great and might tempt the Communists to harass the dwindling garrison. The United States might therefore be justified in warning Peking that any interference would be punished. But there was an essential difference between Formosa and the coastal islands, which were more in the nature of bridgeheads for an invasion of China. It was understandable that their occupation by the Nationalists angered Peking, and it would not be unreasonable for Peking to seek assurances that, if they agreed to peaceful evacua-

tion, the Nationalists would not be allowed to use Formosa as an invasion base. The United States were naturally concerned to avoid lowering Nationalist morale; but even if plans for a return to China were dropped, these men would have an assurance of sanctuary for their lifetime. In twenty years it would be easier to settle the ultimate status of Formosa.

9. At Mr. Menzies' suggestion it was agreed that there should be further discussion of policy towards China, Japan and South East Asia at another meeting Tuesday morning, when Sir Anthony Eden would state the general policy of the United Kingdom Government.

Final Communiqué

10. The draft was discussed and amendments suggested. It was agreed that after further drafting it should be considered again at the concluding meeting Tuesday afternoon.

245.

DEA/50085-D-40

*Extrait d'un télégramme du haut-commissaire au Royaume-Uni
au secrétaire d'État aux Affaires extérieures*

*Extract from Telegram from High Commissioner in United Kingdom
to Secretary of State for External Affairs*

TELEGRAM 172

London, February 9, 1955

SECRET

Reference: My telegram No. 168 of 8 February.

MEETING OF COMMONWEALTH PRIME MINISTERS: EIGHTH PLENARY SESSION

Far East (Formosa)

Sir Anthony Eden reported the latest information regarding the attitude of the United States (CRO telegram Y.75 of February 8) and said that he remained opposed to discussion of the New Zealand resolution in the Security Council. The United States Government had given no indication of their attitude towards the Soviet suggestion for a special conference and an uncomfortable position would develop if weeks were allowed to pass without clarification of their policy. As the Soviet proposal would soon become public the United Kingdom Government would be pressed to state their reaction. They would try to keep the diplomatic channel open by pointing out to Moscow that certain alterations, such as Nationalist Chinese representation, would have to be made if the proposal were to lead to any useful result.

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*Le secrétaire d'État aux Affaires extérieures
au chefs de poste à l'étranger*

*Secretary of State for External Affairs
to Heads of Posts Abroad*

CIRCULAR DOCUMENT NO. A.35/55

Ottawa, March 8, 1955

TOP SECRET

COMMONWEALTH PRIME MINISTERS' MEETING—1955

Attached for your information is a departmental memorandum commenting on the Conference of Commonwealth Prime Ministers held in London from January 31-February 8. Appendices B, C, and D† contain a summary of certain of the plenary sessions, and of two of the selective meetings on defence. The appendices do not include discussion of Formosa which occupied just under half of the time spent in plenary session but reference to this question will be found in the body of the memorandum.

2. I would draw your attention to the fact that the appendices noted above, — B, C, and D are highly classified and are marked for Canadian Eyes Only. Particular care should be taken to ensure that the account of these highly confidential discussions does not become known to unauthorized persons and thus endanger the frankness which is so characteristic and important a feature of Commonwealth meetings.

D.M. CORNETT
for Secretary of State
for External Affairs

[PIÈCE JOINTE 1/ENCLOSURE 1]

*Note**Memorandum*

TOP SECRET

[Ottawa], March 1, 1955

COMMONWEALTH PRIME MINISTERS' MEETING — 1955

The Commonwealth Conference of 1955 was mainly concerned with international affairs. The talks took place in the shadow of the crisis over the Formosa Straits and in part this contributed to the emphasis placed on Far Eastern problems. The coincidence of the meetings with the Formosan crisis resulted in one of the successes of the Conference.

Of the nine plenary sessions, three were devoted exclusively to Formosa; this subject was also discussed at some length at three of the remaining six meetings. In addition there were private consultations outside the plenary sessions. Discussion of Formosa was extremely frank and it was immensely valuable to the Prime Ministers of western governments to get the point of view of important leaders from Asia on this vital Asian problem. Although no joint pronouncement on Formosa issued from the conference, the very fact that leaders of a number of important nations, assembled at a time of mounting tension, could discuss dispassionately the issues involved with full knowledge of the gravity of the situation helped to dispel tension and to create an atmosphere of calm and moderation in which a political settlement could be sought by negotiation.

The Indians played an important part in the discussions and their attitude was most helpful. Mr. Nehru made it clear that he did not share the view of many of those present as to a long term solution; nevertheless he was ready and anxious to do what he could to decrease the tension accompanying the evacuation of the Tachen Islands and to create an atmosphere of calm in which a way might be found by negotiation for some accommodation on the question of the coastal islands. His interventions during the course of the meetings in both Moscow and Peking were useful in this regard.

It seems clear that Mr. Krishna Menon was the most important adviser that Mr. Nehru had at the Conference. At the Downing Street meetings, he was continually whispering to and receiving whispers from Mr. Nehru while Madame Pandit and Mr. Pillai remained inscrutable. At private meetings, Mr. Menon again was the prompter with Mr. Nehru while the other two remained silent. Mr. Menon established contact with Mr. Pearson shortly after the latter arrived in London and maintained contact with him during the course of the meetings. He was friendly and not unreasonable in his approach to the Far Eastern matters under discussion; he seemed obviously happier in the atmosphere of London than that of New York.

Mr. Menon was particularly concerned with two matters, (1) to work out some form of international intervention in the Formosa conflict, and (2) to arrange a private discussion between Mr. St. Laurent, Sir Anthony Eden, Mr. Nehru, Mr. Pearson and himself on Far Eastern issues. In respect of (1) he agreed that a formal conference in the present circumstances would be premature and unproductive. He thought, however, that some form of Good Offices Committee might be set up under United Nations auspices which would act as a diplomatic channel between Washington, London and Peking with a view to preparing the way for a conference which sooner or later had to be held. When it became apparent that nothing along these lines was going to be agreed on in London or even suggested to the Americans, he did not seem unduly disturbed. There is no doubt, however, that he feels that some kind of Geneva Conference will have to be arranged and that some sort of diplomatic preparation must precede such a conference. It is probable that he will continue to press this view on Mr. Nehru.

Apart from the specific issue of Formosa, considerable importance was given to Pacific problems in world affairs. The keynote was struck by Mr. Nehru in his opening statement at the first session when he spoke of Indo-China, of China and the problems flowing from the successful revolution which had brought the communist leaders to power, and the strong ferment of opinion in Asia taking sometimes the political form of nationalism and sometimes the aspect of an urge for economic betterment. One of the most successful features of the conference was its function as a meeting ground for the leaders of the Asian countries and the free nations of the west. In this sense it made possible not only the exchange of views around the conference table but provided opportunities for informal private discussions in restricted groups which is essential to that meeting of minds so necessary if the Commonwealth is to fulfill its role as a bridge between East and West.

The meetings were dominated by two outstanding personalities. Sir Winston Churchill was a chairman unequalled in experience and in the range and grasp of his imagination in fields which are of particular interest to him.

Mr. Nehru, as spokesman for the resurgent nations of Asia, gave voice to the point of view of those countries which have recently attained full independence or continue to live their revolution. He made the point repeatedly that nationalism was the basis of the changes taking place in Asia and suggested that greater attention should be paid to the views and aspirations of the peoples of that continent.

The conference was notable for the fact that it was the first within living memory in which there was no discussion of the constitutional aspects of the Commonwealth or problems of Commonwealth organization. Proposals for greater centralization, the creation of machinery for formal consultation, and suggestions that Commonwealth policy be co-ordinated and concerted through a permanent secretariat, which have exercised Commonwealth leaders at previous meetings, played no part in the proceedings. The one exception was Pakistan's request to be accepted as a continuing member of the Commonwealth after becoming a republic. In broaching this matter Mr. Mohammed Ali emphasized that there was no desire to weaken the link with the Commonwealth and said that the people of Pakistan would retain their loyalty, admiration and devotion to Her Majesty even though it flowed through an elected President rather than an appointed Governor-General. There was ready agreement that it was for Pakistan to decide what form of constitution she should have though the decision that a nation of eighty million people should cease to owe allegiance to the Queen was not taken without a sense of the drama involved and a feeling of emotion. Sir Winston Churchill, whose life and work has been so largely devoted to the service of his Sovereign, met the occasion with dignity though not without sorrow and some reluctance. The declaration regarding this constitutional change which will enable Pakistan to establish a relationship with the Crown and with other members of the Commonwealth similar to that of India is attached as an appendix.

Another aspect of the conference which augurs well for the future of this "unique association" was the ready acceptance of the right of groups of members to discuss questions of mutual concern privately. The selective meetings on defence about which all members were told beforehand were taken as a normal part of the functioning of the Commonwealth and caused no difficulty. This also applied to a number of ad hoc meetings on questions of concern to two or more members which were held during the period of the conference.

The arrangements for the meetings were admirable and all delegations are indebted to the United Kingdom for the trouble to which it had gone to ensure the comfort and convenience of visiting delegations. Incoming parties on arrival at hotels where they were to stay found offices organized for them complete with desks, filing cabinets and telephone switchboards. While in London, in keeping with the tradition of close and informal consultation, Prime Ministers had access to information available to the United Kingdom Ministers and were able to follow developments throughout the world without interruption. The arrangements for recording the conference proceedings were handled with commendable efficiency by Sir Norman Brook and his Cabinet Office staff.

One tentative conclusion to be drawn from the recent meetings is that the Commonwealth as now composed is to a very considerable extent dependent on the importance the *Indians* attach to it. During the course of his statement at this first meeting about the basic factors underlying the situation in the Far East, Mr. Nehru remarked that the fact that the Communist Chinese Government was not a member of the United Nations was the cause of many difficulties. But he went on to say that the Chinese were realists and that their lack of a seat in the United Nations would become of less importance to them as it became clear that other countries would be compelled to come to them whenever it was necessary to obtain their views. These opinions he reiterated later. It is not too difficult to read into this a warning as to his assessment of the shape of affairs and the balance of power in Asia. It is not clear what conclusion should be drawn but one conclusion which I think is justified is that the centre of gravity of the Commonwealth of 1955 is already some distance east of London.

The question of the admission of new members and the problems associated therewith was not formally raised at the meetings. However, constitutional progress in the Gold

Coast and developments in other United Kingdom dependencies make it clear that this will be an important problem to be faced, possibly by the next Prime Ministers' Conference.

A paper summarizing the gist of the discussions at the meetings exclusive of the question of Formosa is attached. The paper contains a brief paragraph about the restricted meeting on Indo-China held on the morning of Saturday, February 5, attended by the United Kingdom, India and Canada.¹⁴ Also attached and classified *Top Secret* are separate memoranda summarizing discussion at the meetings on defence policy generally, and Middle East Defence, the only two of the selective meetings on defence about which we have information. Canada was represented only at the first of the defence meetings which dealt with Defence Policy generally. The summaries of both the political and defence meetings are of course highly classified and their contents should not be disclosed to unauthorized persons.

For record purposes, copies of the final communiqués are also attached. Mr. St. Laurent's statement in the House of Commons following his return from London will be available to you in the Hansard for Monday, February 14, 1955, pages 1109 to 1112.¹⁵ Additional information of a general nature about the meetings is contained in an article which will appear in the March issue of *External Affairs*.¹⁶

[PIÈCE JOINTE 2/ENCLOSURE 2]

Appendice B

Appendix B

SECRET. CANADIAN EYES ONLY.

MEETING OF COMMONWEALTH PRIME MINISTERS — 1955

The gist of the discussions of the Commonwealth Prime Ministers from January 31-February 8, 1955 exclusive of the question of the Formosa Straits is contained in the following sections. The subject matter is arranged to conform with the plenary meetings held during the conference. Indochina was not discussed at a plenary meeting; the section on Indochina gives an account of the restricted discussion of this problem by the United Kingdom, India and Canada on February 5.

Meeting 1, January 31

The main subject was the situation in the Far East. In his opening remarks Mr. Nehru spoke briefly about Indochina paying a tribute to the role of Sir Anthony Eden in bringing about the Geneva agreements and warning that progress towards lasting peace in Indochina could only be continued if the agreements were faithfully carried out.

Mr. Nehru then spoke of the intention of the Peking Government maintaining that apart from Formosa the Chinese had no expansionist aims and were primarily concerned with the development of their own resources and the improvement of their economic position. He pointed out that China was bound to feel resentment at any threat of dictation and made it clear that, in his view, any approach to the Chinese based on threats would not only be

¹⁴ Voir/See Document 715.

¹⁵ Voir Canada, Chambres des Communes, *Débats*, 1955, volume 2, pp. 1171-1175.

See Canada, House of Commons, *Debates*, 1955, Volume 2, pp. 1109-1112.

¹⁶ Voir Canada, Ministère des Affaires extérieures, *Affaires Extérieures*, volume 7, N° 3, mars 1955, pp. 75-82.

See Canada, Department of External Affairs, *External Affairs*, Volume 7, No. 3, March 1955, pp. 71-78.

unsuccessful but might have a result contrary to that intended. The fact that Peking was not represented in the United Nations is the cause of many difficulties; but the Chinese Communists are realists and the lack of a seat in the United Nations would become of less importance to them as it became clear that other countries would be compelled to come to Peking whenever it was necessary to ascertain Chinese views.

In commenting on Mr. Nehru's remarks, Sir Anthony Eden pointed out there were nevertheless real dangers that a conflict could easily arise in the Far East as China was a revolutionary power going through an expansive and confident phase. Sir Winston Churchill spoke vigorously on the position and record of the United States which was the only power that had achieved world supremacy without wishing to use it for purposes of domination or aggrandisement and which had shown itself ready to use its power for the benefit of mankind. He was certain that President Eisenhower was determined to have peace and had the stature and moral courage to make a concession from strength.

Meeting 2, February 1, 1955

The first part of the second meeting continued discussion of the Far East.

Later, discussion turned to Europe and Sir Anthony Eden reviewed developments leading up to the abandonment of EDC and the present attempt to associate the Federal German Republic with the West through the Paris agreements. Although recognizing that the ultimate aim of the Germans was to achieve re-unification, he suggested that if Western European Union became a reality, Eastern Germany might be increasingly drawn to the West and the Russians placed in a position where they might be ready to negotiate. In Sir Anthony Eden's view, Russian opposition to WEU was due not so much to fear of a revived German army as to the feeling that a successful WEU would stand in the way of their long-term aim, the collapse of capitalism.

Mr. St. Laurent pointed out that Canada had twice in his generation been involved in wars originating in Europe and in the absence of sufficient insurance under the United Nations against this risk, had taken the initiative towards the establishment of the North Atlantic Community. For similar reasons Canada had supported the concept of EDC and had later been glad to follow the leadership of the United Kingdom when seeking a practical alternative. Western European Union provided an opportunity for France and Germany to forget their historic rivalries. This new association together with NATO did not cut across the ties between the Commonwealth countries but should, on the contrary, be viewed as strengthening that relationship; anything which contributed to reducing tension in Europe would benefit not only Europe but the whole world.

Mr. Nehru suggested that a German contribution of 12 Divisions would be of little military value in a nuclear war and that while there might be psychological advantages in integrating West Germany with the West, such a policy also had psychological disadvantages; for one thing it might increase tension by heightening Russian's fears. He questioned whether the price was worth the small military gain. Sir Anthony Eden said that the main advantage of West Germany's participation in NATO was that it would align her with the free world. A West Germany which was independent and was ready to sell its support to the highest bidder or which went Communist would become a serious menace to the peace of Europe. Sir Winston Churchill said that nuclear power alone would not suffice to provide an adequate deterrent in Europe. It was necessary for some front to be held to avoid infiltration and to provide a warning of attack. From a military point of view, the German contribution was a subsidiary but a substantial factor in the common defence. In relation to the forces available to the Russians it was so small that it could clearly not be regarded as a military threat.

The meeting then considered the Middle East. Sir Anthony Eden remarked that the complex situation there was fundamentally an economic problem in which an important factor was the revenue which some of the countries in this area derived from oil. In Iran, there was good hope that the settlement of the oil dispute and the agreement for a consortium would work well. The main political problem was the conflict between Israel and the Arab states. Until some progress was made towards the solution of this conflict there could be no real stability in the region. Mr. Eden mentioned proposals now being discussed with the United States in an effort to bring about a rapprochement in this delicate situation. Much ground work remained to be done and the fact that these consultations were being held must for the moment be treated as particularly secret.

Mr. Nehru commented that he doubted the usefulness of small scale military pacts such as the intended alliance between Turkey and Iraq which tended to cause disruptive feelings. Mr. Mohammed Ali pointed out that feeling in the Arab League was almost equally divided on the question of the Turkish-Iraq pact. Pakistan was agreeable to Iraq starting negotiations with Turkey with a view to Pakistan's being associated in some way at a later stage. Mr. Mohammed Ali ascribed Egypt's opposition to agreements between Arab states and Western Powers to jealousy since they diminished Egypt's bargaining power.

A propos the conflict between Israel and the Arab states, Mr. Mohammed Ali supported the Foreign Secretary's efforts to improve relations and suggested that a surrender by Israel of some territory for the re-settlement and rehabilitation of Arab refugees might provide a possible basis for a general settlement. In his view no stable settlement could be achieved unless it were guaranteed by the United States and Western Europe since the Arab states were keenly apprehensive of Israel's expansionist tendencies.

Meeting 3, February 3, 1955

The third meeting dealt with thermo-nuclear problems. Sir Winston Churchill opened with an impressive and moving statement on the implications of thermo-nuclear warfare and the philosophy of the deterrent. He pointed out that the only sane defence policy for Britain in the next few years is to make what contribution it can to the deterrent represented by the United States superiority in nuclear power. Sir Winston said he was sure that the United States would be restrained by their strong moral and spiritual convictions from initiating a nuclear war. A less improbable peril was that the USSR, fearing a nuclear attack before she had caught up with the United States and created deterrents of her own, might attempt to bridge the gulf by a surprise attack. It was essential, therefore, that American superiority in nuclear weapons be so organized as to make it clear that a surprise attack would bring immediate retaliation on a far larger scale.

The Prime Minister of the United Kingdom remarked that the essential facts about the power of thermo-nuclear weapons should be known to all the world and described the estimated effects of a thermo-nuclear bomb pointing out that a very few explosions of this magnitude would suffice to disrupt the power of any nation to continue a war. Sir Winston drew comfort from the fact that continents as well as islands are vulnerable and that modern weapons could be effective against nations whose populations were widely dispersed over large land areas. The increased vulnerability of the Soviet Union had therefore increased the power of the deterrent. After pointing out that the present American superiority made it unlikely that Russia would embark on major aggression during the next three or four years, Sir Winston remarked that we might shortly reach a state of "saturation" where though one power was stronger than the other, even the weaker was capable of inflicting quasi-mortal injury. It did not follow that the risk of war would then be greater; it was arguable that it would then be less, for both sides would realize that the results of global

war would be mutual annihilation. Although the danger of surprise attack would remain, the power of retaliation could not be wholly extinguished as long as the West's strategic bases are widely distributed. This would more than outweigh the advantages previously associated with "interior lines". In concluding Sir Winston Churchill said that the advent of thermo-nuclear weapons might bring a message not of despair but of hope since the broad effect was to place Soviet Russia on a near equality of vulnerability with the United Kingdom and Western Europe. We had reached a stage where safety might well be the child of terror and life the twin brother of annihilation.

Mr. Nehru said that Sir Winston Churchill had impressively described the horrors of thermo-nuclear weapons but had not suggested any positive means of preventing them from coming about. The Prime Minister of India suggested that the value of hydrogen bombs as a deterrent should be weighed against the terrible consequences of their use to people all over the world. The difference between the two sides was not now very great and to this extent saturation might be said to have been reached already. He recognized that no great country could run the risk of leaving itself powerless and in the event of a major war would use all weapons available. The conclusions he drew from this were:

(a) that we should seek to ban the use of thermo-nuclear weapons including experimental explosions, and

(b) we should seek to ban the occasion for their use in war by trying to outlaw war altogether.

He pointed out that as nuclear weapons became relatively easier and cheaper to make, smaller countries might come to possess them and that we would live in constant apprehension that some irresponsible country would be in a position to set fire to the world. He thought that world opinion should be mobilized against the possibility of war and the use of nuclear weapons.

There was some discussion, the general consensus of the other Prime Ministers being that there was little possibility of effectively mobilizing world opinion on both sides of the iron curtain against war. Mr. Menzies said that but for the development of nuclear weapons, the free world would have been hopelessly outmatched by the Communist powers whose intentions were aggressive and whose pretended desire for peaceful co-existence with their neighbours was a sham. Mr. St. Laurent asked what views the United Kingdom Government had on the possibility of securing the limitation on armaments. Lord Salisbury said that many people now felt that the need for international agreement on disarmament had increased. In his view, disarmament itself was not a remedy; armaments were a symptom of tension not a cause. Until the basic distrust could be removed, no nation would be ready to disarm. He thought it was useful to continue discussing disarmament and to attempt to reach agreement on general principles and said that it was possible that the existence of the hydrogen bomb might make the Russians more amenable in the forthcoming talks in the disarmament sub-committee.

Lord Salisbury commented briefly on recent developments in international cooperation for promoting the civil use of atomic energy saying that while hopes should not be set too high, recent developments flowing from President Eisenhower's initiative were in the right direction and should be encouraged. He then gave an account of developments in the United Kingdom in the peaceful uses of atomic energy. There was little discussion on this; Mr. Nehru commented on the importance of additional sources of power to the underdeveloped countries and observed that India was having some success in developing reactors for peaceful purposes.

Meeting 4, February 3, 1955

The discussion of economic affairs covered mainly recent economic developments in and prospects for the sterling area countries. Mr. Butler opened by reviewing the satisfactory economic progress in the United Kingdom in 1954. Whereas the United Kingdom had had a deficit of £400 million in the balance of payments in 1951, returns for the first half of 1954 indicated a surplus of £175 million. This result when considered in relation to repayment of debts to EPU, the IMF and North America was evidence of how the United Kingdom's position has been strengthened. There were some minor adverse trends which had now to be faced and which called for some readjustments; i.e., a slight worsening of the terms of trade, increasing competition in overseas markets, the initial cost in foreign exchange of the recent oil settlements and the prospect of increased defence expenditure in Germany. Although these factors made it necessary to keep careful watch on the situation, he saw no cause for alarm.

Turning to the sterling area as a whole Mr. Butler examined the improved record of the balance of payments since 1951-52 and remarked that it would have been unrealistic to expect this trend to continue indefinitely on this scale. Imports appeared to be expanding more than exports, a somewhat disturbing trend and one which they were watching. It was clearly necessary that all governments should maintain their vigilance to ensure that internal policies were adjusted as necessary to meet the changing circumstances; he suggested it would be valuable for the sterling area to examine afresh how overseas earnings could be still further increased.

There was some discussion of the impact of developments in the United States on the sterling area. Mr. Butler noted that United States Ministers had said that the supply of dollars to the outside world should be well maintained in 1955 and accordingly it did not seem likely that a dollar problem would arise in the immediate future. Mr. Butler pointed out that an expansion of imports by the United States might not be an unmixed blessing; an increase of imports of manufactured goods was beneficial both to the United Kingdom and to the sterling area as a whole but on the other hand increased United States imports of raw materials tended to help the rest of the sterling area at the expense of the United Kingdom terms of trade. The best hope lay in a steady and moderate expansion of United States activity and imports.

Mr. Butler emphasized the conditions which in his view must precede convertibility and remarked that there had been steady progress in a gradual approach to freer trade and payments. He touched briefly on the review of GATT mentioning that it was a complex question and suggested that some of the difficulties might be discussed separately by the Commonwealth countries concerned. He concluded by enumerating briefly the United Kingdom contributions to overseas development.

Mr. St. Laurent said that difficulties ahead were small compared with those which had already been weathered and expressed confidence that they would be overcome. One anxiety about the future arose from the impression the United States had given at Geneva that they were moving away from multilateral trade by seeking a waiver for their agricultural protection. This waiver might have harmful effects in a number of Commonwealth countries and might weaken the confidence of the world in United States' intentions. Although Canada would oppose this waiver, it should not be looked upon as a reversal of United States policy. Mr. St. Laurent remarked that the waiver might make it possible for the United States Government to make a further move towards liberalization and thought it could reasonably be hoped that it could not be used in such a way as to obstruct the general progress of the policy of freer trade and payments. Other Prime Ministers expressed con-

cern that the United States might now be less anxious to support multilateralism and might tend to regard convertibility as the business of the sterling area alone. There was some concern that the substantial interest of the United States in the convertibility of sterling had not been made sufficiently clear to the administration. It was suggested that in the long run the United States could not remain satisfied with the two-currency world. Mention was made of the importance of sound internal economic policies as a basis for the approach to convertibility. The general consensus was that in the over all view, things were going reasonably well.

Mr. Nehru gave an optimistic survey of India's prospects expressing satisfaction at the progress made in the first five year plan, noting that the balance of payments had improved, and that while a strict import policy was still maintained, restrictions on capital goods and industrial raw materials had been reduced. Mr. Nehru mentioned gratefully the economic aid received from the United States and from Norway, the assistance under the Colombo Plan and mentioned loans received from the International Bank and the IMF.

Mr. Swart commented in an optimistic way on South Africa's position, saying that it was hoped to remove all import controls by the end of 1955.

For Pakistan, Mr. Mohammed Ali reviewed the difficulties experienced as result of the fall in world prices of jute and cotton and natural disasters which required Pakistan to import large quantities of food grains. The food situation had now been brought under control. Although the priority given to imports of heavy machinery and industrial raw materials had increased the cost of living, this had been accepted as necessary in the long-term interests of the country. Pakistan was showing a consistent surplus in trade with the dollar world but was running a deficit with the sterling area. Arrangements which might be made to meet this deficit would be helpful as would further industrial investment. Looking to the future, Pakistan supported the move towards liberalization and convertibility.

Meeting 5, February 5, 1955

The first half of the fifth meeting dealt with Pakistan's position in the Commonwealth. Mr. Mohammed Ali emphasized that there was no desire in Pakistan to weaken the link with the Commonwealth; there was, however, a desire on the part of his people for a republican form of government. The satisfaction of this desire would strengthen the determination of Pakistan to cooperate with the Commonwealth and align herself with the West.

Sir Winston Churchill expressed his sorrow at Pakistan's wish to abandon her allegiance to the Crown. Although no one would question her right to decide her own form of government, he had hoped that a solution on the lines of a "crowned republic" might have met the wishes of the people.

Mr. St. Laurent said that while he could not but regret that Pakistan would become a republic, he was happy that the need to change the form of Pakistan's link with the Crown did not mean a change in her sentiment for it. Each member of the Commonwealth must itself determine its relationship with the Crown. Mr. St. Laurent thought that all would welcome Pakistan's continued membership in the Commonwealth even though she adopted a republican form of constitution.

Mr. Nehru also welcomed the continued association of Pakistan with the Commonwealth and Sir John Kotelawala added that he hoped difficulties would not be created by the form of constitution to be adopted by Pakistan. Mr. Menzies pointed out that the question of principle had been settled by India and thought that a decision should be reached at the present meeting. In this he was supported by Mr. Holland. Mr. Swart said that in the view of the South African Government each member of the Commonwealth was free to

decide for itself the form of its own constitution. South Africa was ready to agree that Pakistan should continue as a full Commonwealth member after becoming a republic.

The Prime Ministers approved the terms of a declaration which was released to the press [Appendix A].¹⁷

Meeting 6, February 8, 1955

After some discussion of the problem of the Formosa Straits, the meeting turned to long term policy in the Far East. Sir Anthony Eden said that no solution could be found for Far Eastern problems which did not take account of China and the United Kingdom had therefore decided at an early stage to recognize Peking. The United Kingdom Government also realized that Peking would some day have to be represented in the United Nations. Although it could be argued that the sooner this happened the better, for the moment there were great practical obstacles.

There was difficulty in assessing the true intentions of the Peking Government. The Chinese might be expected to have a great interest in ensuring a period of peace in which to build up their economy. In relation to this, their behaviour in Korea, Indochina and now the Formosa Straits was difficult to explain. The sequence of events inevitably led one to ask what the next step would be. There was also the problem of the overseas Chinese as in Malaya.

The United Kingdom Government had given anxious study to the problem of bringing Japan back into the community of nations. It was unrealistic to believe that the United Kingdom or indeed the Commonwealth as a whole could ever replace China as a market for Japanese trade. The United Kingdom took the view that trade between Japan and China, excluding strategic materials, should be encouraged.

In South East Asia, United Kingdom policy was to help the countries concerned to the greatest possible extent without interfering with their internal affairs. His experience at Geneva had convinced him that, in the absence of a settlement, the whole of Indochina would have fallen into Communist hands. He had pointed out to the Communist Premier of China the advantages to be gained by the establishment of neutral independent states in that area which could be a guarantee against infiltration by either side.

Mr. Menzies pointed out that the world was being kept in a perpetual state of undulant fever by the Communists and suggested that the peoples of the democratic countries might not be prepared to carry indefinitely the burden of unnecessary expenditures on defence. In his view, propaganda must be strengthened to emphasize that the threat to peace came exclusively from the Communist powers. He felt that more should be done to emphasize that the Manila Treaty and similar arrangements were purely defensive in nature. On Japan, he referred to the understandable bitterness in Australia towards the Japanese; nevertheless the Government took the view that policy should not be based on past hatreds and that Japan should be brought back into the community of nations. Australia was therefore prepared to increase purchases from Japan and he thought that there was no harm in the Japanese trading with China. If unable to expand their export trade, the Japanese might again become a menace to the peace.

Mr. Nehru analyzed the position of China and its relationship to other countries in Asia. The success of the revolution in China was not due simply to its Communist nature. In his view it was the product of a revolutionary ferment fundamentally nationalist in character, achieved with very little help from Russia. All Chinese including those who lived abroad

¹⁷ Voir Canada, Ministère des Affaires extérieures, *Affaires Extérieures*, volume 7, N° 3, mars 1955, p. 83.
See Canada, Department of External Affairs, *External Affairs*, Volume 7, No. 3, March 1955, pp. 75-76.

and were anti-Communist were proud of the emergence of China as a world power. He argued that history might have been different if greater efforts had been made to come to terms with the USSR after the Bolshevik revolution; it would be a great tragedy if this mistake was repeated in China. Continued hostility could only assist the Communist cause.

Mr. Nehru said that any Chinese Government would be anxious to obtain Formosa, not only to recover former territory but also because it was presently occupied by hostile forces. Historically, attacks on China had begun with the occupation of Formosa followed by an attack on Korea, the occupation of Manchuria and finally invasion. It was his personal view that if Peking could be assured that Formosa would not be used as a base for attack, the Chinese would probably not risk war. Mr. Nehru questioned whether Chinese Nationalist morale was based on firm foundations. He pointed out how difficult it was to bolster morale from the outside. Similar situations existed elsewhere in South East Asia and there was real danger that the Communists would take advantage of this in countries where unpopular régimes were dependent on outside support. In India, Pakistan, Ceylon and Burma the situation is very different. Communism could not compete with progressive nationalist governments so long as economic progress was maintained. He thought there was little real possibility that China or Russia would intervene in India's internal affairs. In his view India was able to look after herself now and in ten years' time would be even better able to do so. Although Burma was not so strong, China had refrained from interfering in Burma when it had had good excuse to do so. He thought the Chinese wished to strengthen their own country and not to embark upon adventures elsewhere. He doubted if the Chinese would ever deliberately start war, for among other reasons, they were conscious that aggressor countries had usually been defeated in the end.

Mr. Nehru did not doubt that the Manila Treaty was regarded by its members as a purely defensive arrangement. From the Chinese point of view, however, it might look very different. He doubted whether the treaty served any useful military purpose; — it was not clear how the defensive potentialities of a small number of relatively weak countries in South East Asia could be increased under it — and the Treaty had the disadvantage of being irritating to the other side. He was happy to recall that Mr. Dulles had once said to him that war did not settle problems and that it would be the political system that would pay dividends in economic betterment and human happiness, which would in the long run prevail. Mr. Nehru remarked that he had thought this a very wise saying, and he still thought so.

Sir Winston Churchill wound up the discussion by describing the situation of the Far East as nearly deadlocked. To his mind the important facts were these:

- (a) the Communists were advancing all over the world;
- (b) opinion in the United States seemed at present to be in a condition in which a spark might lead to an explosion;
- (c) Russia was not likely to intervene;
- (d) the United Kingdom had no intention of endangering its firm friendship with the United States.

Indochina

Indochina was not discussed at a plenary meeting. Advantage was taken of the presence in London of Prime Ministers and senior advisors of two of the members of the international supervisory commissions to discuss certain matters at a restricted meeting on February 5 attended by the United Kingdom, India and Canada. Mr. St. Laurent and Mr. Pearson raised certain questions regarding the work of the Vietnam armistice commission, indicat-

ing Canadian concern over the obstacles in the way of the free movement from the North to the South and over the responsibilities of the Commission powers in respect of the forthcoming elections. The Canadian Ministers tried to make it clear that we did not wish the commissions to be used as a cloak for elections which were not completely free. It was important to give this matter consideration but the initial responsibility in working out arrangements rested, of course, with the two parties in Vietnam.

Canadian Ministers also brought up the difficulties in the Northern provinces of Laos and mentioned the desirability of India becoming more and more influential in Cambodia. The discussion was in general terms. Owing to other business, there was little opportunity to pursue the questions further during the course of the meetings.

[PIÈCE JOINTE 3/ENCLOSURE 3]

Appendice C

Appendix C

TOP SECRET. CANADIAN EYES ONLY.

February 1, 1955

DEFENCE COMMITMENTS IN NATO, EUROPE, AFRICA AND ANZAM

The theme of the meeting was the strategic implications of the development of thermo-nuclear weapons.

The United Kingdom's conclusions on the likelihood of the outbreak of war, as circulated in memorandum form, are that while the Soviet Union is unlikely to provoke war deliberately at least in the near future, it is possible that war might break out through accident and/or miscalculation. Although there are risks, among them the chance that an aggressor might push provocation too far in the belief that the injured country might hesitate to resort to arms, it is believed that subject to certain conditions the Commonwealth, the United States and the countries of Europe acting together can avoid war.

To satisfy these conditions the countries of the Western alliance have to maintain their unity, build up their strength and keep a steady nerve. They have to persuade a potential aggressor that they have a sanction of overwhelming power and the will to use it. The deterrent consists of three elements:

(1) the possession of thermo-nuclear weapons and the means to deliver them. The United Kingdom has decided to produce thermo-nuclear as well as atomic bombs and the aircraft to deliver them are about to come into service;

(2) the provision of conventional forces (in Europe, under NATO) to prevent the over-running of the continent by Soviet armies;

(3) the moral factor — the determination of the free peoples to defend themselves.

It must be made clear that these three elements were present and will be maintained.

Assuming that world war is prevented, a second objective is to win the cold war. This aim can only be achieved by undertaking burdensome obligations which will involve heavy financial and other demands over a protracted period.

Following this general introduction there was a review of the United Kingdom's existing military commitments, during which mention was made of the use of land forces in Europe to contribute to the nuclear deterrent, the importance of the maintenance of sea communications and the distribution of strength as between the RAF, RN and Army.

Great strategic importance is placed on the Middle East as a focal point of Commonwealth communications. It is important to deny to the Soviet fleet the exits from the Black

Sea to the Mediterranean and to guard the oil reserves of the Middle East. Further, this area is vital to the defence of Africa.

In the Far East the spread of Communism has to be blocked and the resources of this area have to be retained for the free world. Beyond these areas, the United Kingdom has deployed forces for the defence of the colonies.

This wide dispersal of forces emphasizes the United Kingdom's need for assistance from other Commonwealth countries in the form of a contribution to the strategic reserve or in the provision of reinforcing formations. In particular the United Kingdom is anxious to see established the Commonwealth Far East strategic reserve which had been agreed at the Melbourne Conference.

Local wars, if not contained by immediate counteraction, might lead to world war with general use of nuclear weapons and widespread destruction of sources of production. Stockpiles of weapons are therefore required in the various theatres and commanders would have to depend upon the resources at their disposal. Success in the cold war depends upon the known ability of the free world to meet any threat, anywhere, at any time.

Following this review each of the Prime Ministers present — Mr. St. Laurent, Mr. Menzies, Mr. Holland, Sir Godfrey Huggins — together with Mr. Swart and the Secretary of State for the Colonies reviewed the defence contributions and potentials of other Commonwealth territories. Each of the speakers mentioned with appreciation the extent of the United Kingdom's defence commitments. Referring to the development of thermo-nuclear weapons Mr. St. Laurent drew the conclusion that there is a vital need to develop a warning system on the American continent in order to protect the industries that were essential to the collective strength of the free world. In taking part in this development, Canada was in fact contributing to the deterrent. In view of its population and the stage of development of Canadian resources, it was obvious that there was a limit to what Canada could contribute.

Mr. Menzies noted the advantage that would be gained from letting the American people know the extent of the United Kingdom's defence commitments and dispelling the current idea that the United Kingdom were not carrying out their proper obligations. Insofar as the Australian Government were concerned, the shortage of manpower and equipment would make it impossible for stockpiles to be built up; the danger of inflation was also a contributing factor. The proposals of the Melbourne Conference, when considered in this light, show the need for firm consultation with the United States on the logistical problem. He noted that Australia's contribution to defence could be counted at a total of £400,000,000 annually, fifty per cent of which was an indirect contribution arising from the capital cost of the immigration programme.

Mr. Holland spoke of New Zealand's determination to play her part both in production of food and in the acceptance of a military commitment in Malaya (transferred from the Middle East). He added that of course New Zealand faced the same difficulties as Australia with regard to manpower, equipment, and the maintenance of economic balance. In conclusion, he asked to be told if it was thought that New Zealand could do more than she was doing.

On behalf of South Africa, Mr. Swart stated that his country's output of uranium would be at the disposal of the Western powers in war. South Africa regarded Africa as their special sphere of defence and stood by her commitments in the Middle East. However, because she had become a special target for communism she also had to see to her own protection against subversion in order to insure that the production of precious and other

minerals would not be brought to a standstill. South Africa had shown that she was prepared to do her part in world affairs but her first duty was to defend Africa.

After Sir Godfrey Huggins had made a reasoned request for the provision of more and better equipment from the United Kingdom, the Colonial Secretary referred to the strain imposed on the United Kingdom by the need to defend the colonial territories. The United Kingdom were taking steps to strengthen security services in the colonies and it was planned to build up the contribution that the colonies make to the armed forces of the Commonwealth. In Malaya immediate assistance was needed from Australia in the form of special air service squadrons.

In summing up, Sir Winston Churchill commented that it must be recognized that the measures which could be taken for the defence of the free world can not match all possible risks. If war should come, he was convinced that it would be launched with nuclear weapons although the attack would no doubt be accompanied by the movement of Russian forces westwards into Europe. It is conceivable that the attack would be unheralded, but the retaliatory power of the free world is a very powerful deterrent and the Russians must already be aware that they would suffer an overwhelming counter-stroke within a few hours. He reminded the meeting that the forces comprising the deterrent must be capable of breaching the enemy's defences.

Despite the risk that war might be started by some desperate act, he was confident that if the deterrent strength of the free world is kept fully effective we can look ahead to an interval of security. However, within a few years, the superiority of the United States in nuclear weapons might be depreciated by the production by the Russians of sufficient nuclear weapons to inflict mortal injury on North America.

The United Kingdom has developed the atomic bomb and is now proceeding with the production of its own type of hydrogen bomb. The hydrogen bomb carries with it consequences beyond its immediate power of destruction. Accuracy of aim has lost much of its significance and the bomb could be delivered, therefore, from beyond the range of gun defences and in conditions which presented great difficulties for interception by fighter defences. The terrific blast of this new weapon would devastate a wide area and poison tracts of many hundred square miles causing damage beyond all present thought to people, animals and pastures. All nations would be drawn closer into a common category of hazard thereby adding to the deterrent forces on which salvation depends. There were good grounds for hope that the advent of the new weapon was more likely to destroy war than mankind; this would not be so if we neglected to maintain our deterrent power.

It is essential for the Commonwealth to play its part in company with the United States. Our policy must be planned in closest harmony and friendship with the United States. There can be no question of standing apart.

2^e PARTIE/PART 2
PLAN DE COLOMBO
COLOMBO PLAN

SECTION A
CONTRIBUTION CANADIENNE
CANADIAN CONTRIBUTION

247.

PCO

*Note du secrétaire d'État aux Affaires extérieures
pour le Cabinet*
*Memorandum from Secretary of State for External Affairs
to Cabinet*

CABINET DOCUMENT NO. 184-55

[Ottawa], September 13, 1955

SECRET

CANADIAN PARTICIPATION IN THE COLOMBO PLAN

In order that preparations may proceed for the September - October meeting of the Colombo Plan Consultative Committee in Singapore and in order to assist our officials in planning programmes of assistance to the Asian countries for the period ahead, it would be desirable for the Canadian Government to determine at an early date:

- (a) its attitude towards continuation of the Colombo Plan after June 30, 1957, the end of the present planning period;
- (b) its intentions with respect to a contribution in the fiscal year 1956-57; and
- (c) the composition of the Canadian Delegation to the Singapore meeting.¹⁸

A. Continuation of the Plan Beyond 1957

When the Colombo Plan for cooperative economic development in South and Southeast Asia was started in late 1950, it was arbitrarily related to a planning period of six years ending June 30, 1957. As the various countries, for the purpose of their own programming, will need to know at least a year in advance what the prospects are for the future, the members of the Consultative Committee will be expected to indicate at the forthcoming meeting whether they are agreeable to the continuation of the Plan and, if so, for what length of time.

There would appear to be very good reasons why Canada should support continued cooperation through the Colombo Plan. The Plan, loosely organized as it has been, has proven to be a useful instrument for encouraging considerable progress in the development programmes of the Asian countries and has assisted in creating a wholesome relationship among the countries of South and Southeast Asia and between them and the other member countries (including Japan as well as countries of the West). The Plan could scarcely be brought to an end in 1957 without serious economic consequences for the Asian countries

¹⁸ Pour de la documentation sur la réunion de Singapour, voir la section suivante.
For material on the Singapore meeting, see the following section.

concerned and substantial political damage to those countries and to our relations with them.

The Colombo Plan has gone very well so far. It has facilitated consultation among the Asian countries concerned on the problems encountered in developing their economies and has resulted in a certain amount of assistance from one country to another within South and Southeast Asia. The countries in the region have undoubtedly been encouraged to undertake development programmes on a scale more nearly adequate to the requirements of the situation than would have happened if this means of cooperation had not been available. Expenditures by these countries on their own development have been steadily increasing (27% higher in 1953-54 than in 1952-53 and 31% higher in 1954-55 than in the preceding year). Although some 80% of the costs involved have been met by those countries themselves, external aid has had an important (and, in many cases, a decisive) role to play in connection with particular projects. The response of other countries to these needs has almost certainly been greater and the outside assistance has been put to better use than would have been the case if the Colombo Plan arrangements had not existed.

The activities carried out under the Colombo Plan over the past few years have received widespread support from the people of both the Asian countries and the countries of the West. In addition to the evidence of active interest in Canada, the fact that in the presentation of its latest aid programme to Congress the U.S. Administration saw fit to emphasize the role of the Colombo Plan is illustrative of the regard in which the Plan has come to be held in the Western countries.

The habit of cooperation with the West which has been developed and strengthened by the experience which the Asian countries have had through the Colombo Plan has probably influenced the attitudes of those governments in such widely separate fields as recent international discussions on broad economic and commercial questions and the important Bandung Conference of African and Asian powers and has probably also been reflected in the national policies of the different countries individually. In particular, the Asian members would appear to have been less inclined to adopt a narrow or regional approach to these matters than they might have been if they had not been associated with other countries of Asia and the West in the Colombo Plan.

The need for cooperation through the Colombo Plan can hardly be expected to disappear by the middle of 1957. The development programmes of the Asian countries will still be under way. For example, India will be in the second year of its new five-year plan and Ceylon will only be half way through its second six-year investment programme. All of the countries in the area will be endeavouring to raise their living standards moderately or at least to prevent serious declines. There is considerable evidence that, in the light of the progress of the past few years, this objective is attainable, within a democratic social and political framework. There are strong indications that in the last two or three years the area of South and Southeast Asia as a whole — perhaps with the exception of Indonesia — has moved off “dead center” and has achieved a sustained increase in income in excess of population growth. The advances made since 1951, (together with the consideration that a relatively low level of investment “pays off” well in terms of additional output under Asian conditions, and that in many of the Asian countries monetary stability has been maintained throughout the postwar period) have led recent studies to the conclusion that in the next few years an even more satisfactory rate of growth of output and income can be expected.

If the programmes of the Asian countries are to be carried out with reasonable efficiency and without imposing a politically intolerable burden on the limited resources available to their people, those governments will need the cooperation of other countries in the

region and such outside help as can be mobilized through the Colombo Plan. In this connection, it will be appreciated that by mid-1957 comparisons will undoubtedly be made, even more sharply than at present, between the rate of progress in those countries and in the underdeveloped countries within the Sino-Soviet bloc.

It might also be noted, that if the Colombo Plan were to be terminated in 1957, the pressure for aid would not necessarily be reduced as a result but might in fact be increased since the underdeveloped countries in Asia might behave much less responsibly if these matters could no longer be examined with the moderation and restraint which have characterized Colombo Plan discussions. It would appear quite likely that any indication of an intention to wind up the Colombo Plan in the near future would intensify the pressure for precipitate action on proposals for various kinds of international development funds which might be considerably less satisfactory from a Canadian point of view.

Although other countries have not yet had an occasion to indicate formally their views on the continuation of the Plan, it would seem reasonable to assume that most, and probably all, of the members will support a prolongation of its life.

Recommendations

In the light of our experience so far and of the situation which can be anticipated in 1957, I would recommend that:

(a) the Canadian representatives at the Singapore meeting should favour the continuation of the Colombo Plan beyond 1957;

(b) the Canadian representatives should suggest that the next planning period might coincide more or less with the completion of some of the major development plans, say the middle of 1961 or thereabouts; and

(c) in order to give substance to our position, the Canadian representatives should be authorized to indicate that, subject to a review of the situation from year to year and to the voting of funds by Parliament, the Canadian Government would expect to continue to make appropriate contributions throughout this period.

B. Canadian Contribution for 1956-57

It is appreciated that there are difficulties in determining at this stage the size of the contribution which Canada should make next year especially as we cannot know at this time exactly what our own financial position will be in 1956-57. Nevertheless, it is desirable that a decision be reached now in order that the advance preparations for next year's programme can be started and in order to provide guidance for the Canadian Delegation to the Singapore meeting.

Undoubtedly, many people in Canada, as in the Asian countries, have rather high expectations regarding the amount of assistance which might be provided in the new international atmosphere which they detect. It might be questioned, however, whether now is the time to make a really substantial increase. It might be sufficient and prudent to consider rather an increase which though significant in size would be clearly within our capabilities and well justified by the evident needs of the Asian members of the Plan.

From a recent review of Canada's Colombo Plan operations, it is apparent that there would be almost no scope for undertaking new projects next year if the total of that contribution were to be left at the present figure of \$26.4 million. This is the case even if expenditures on projects already under way or contemplated in the current year's programme are assumed to be spread over the full length of time required for their execution and are not charged entirely against the funds so far appropriated.

In the case of India, acceptance of either the fertilizer project or one of the three hydro-electric projects proposed earlier this year would absorb virtually all of the funds available to India out of this year's vote and from a vote of the same size next year.

The situation with respect to Pakistan is even tighter. With certain increases in costs of projects now under way (referred to in a separate memorandum submitted to Cabinet today regarding Warsak)¹⁹ and with allowance for only those other projects which Cabinet has already approved and on which we have given undertakings to the Pakistan Government, all of the funds available to Pakistan from votes of the present size would be used up not only for the current year and for the next year but also for the year following.

In short, additional projects which have been put forward by India and Pakistan and which Canada appears to be particularly well placed to carry out (including one thermal power station in Pakistan which could be supplied almost immediately) would have to be turned down or at least seriously delayed if the amounts available for allocation to those countries are not increased next year. Furthermore, no new suggestions from either country could be entertained until after the next year or two.

With respect to Ceylon, while no significant expansion in Canadian aid would seem called for, it would be desirable to avoid going below the minimum-sized annual programme which has been accepted in each of the past four years.

In the case of the other countries in the Plan, to which Canada has not so far provided much aid, a modest beginning is being made this year with the limited funds available, but it would not be possible to start next year on the more significant projects which have been under consideration unless a somewhat larger total vote is secured. Among the possible projects in these mainly non-Commonwealth countries are such things as instructors and equipment for technical training institutions in Indonesia and elsewhere; assistance with fish processing facilities in Cambodia; contributions to the improvement of internal land or air transport in Laos, Indonesia and possibly other countries; the undertaking of aerial or resources surveys which have been requested by Indonesia and Malaya; the provision of several Canadian cobalt-beam therapy units to medical institutions in the area; and the possible supply of small scale electric power generating stations to support village industries in a number of these countries.

The requirement for funds to provide technical assistance to supplement our capital aid is greater than the amount available for such purposes this year. The need for technicians and training facilities will undoubtedly be higher next year.

In brief, if we are to go ahead with the atomic reactor; if even one or two small projects in India and Pakistan and a limited number of small-sized projects in the non-Commonwealth countries are to be contemplated for next year; and if the present modest scale of the Ceylonese programme is maintained more money than was provided this year will be required.

The intentions of the other members of the Colombo Plan are not yet definitely known. The United States will be allotting about \$700 million to economic assistance to the Asian members of the Colombo Plan in the year ending July 1, 1956 (apart from any surplus commodities which may be provided to those countries under the Agricultural Trade and Development Act and apart also from direct military support). It is understood that Australia and New Zealand intend to announce at the Singapore meeting some increases in their contributions. The plans of the United Kingdom are believed to be under review in the light of the deterioration which is taking place in their balance-of-payments position. A

¹⁹ Voir/See Document 289.

large part of the United Kingdom's contribution in the past has consisted of accelerated releases of sterling balances resulting mainly from the heavy expenditures made by the United Kingdom in that part of the world on behalf of the allied war effort. These releases, and the increase in their rate which the United Kingdom accepted when the Colombo Plan started, impose of course as great a sacrifice of current income as would be involved if assistance were being provided on a grant basis. It is not clear whether in the present situation the United Kingdom will find itself able to increase its contribution.

In all these circumstances I think it is appropriate to increase Canada's Colombo Plan vote next year by ten million dollars which would include any amount which may have to be spent within that year in connection with the atomic reactor project. Such a moderate increase would seem well within the capacity of a country which has experienced an almost continuous rise in income since the original figure for the Canadian contribution was selected.²⁰ It would also seem to be particularly appropriate in view of the decline in total foreign aid provided by Canada as a result of the reduction of over \$100 million which was made in the Mutual Aid Programme this year and the further reduction which seems likely next year. In this connection, it might be noted that U.S. foreign aid as a whole has not been allowed to fall significantly in the present year and their contribution to the economic development of the Asian countries in the Colombo Plan in the current year will be more than twenty times the figure suggested for Canada's contribution next year. An increase of this order in Canadian Colombo Plan assistance would seem a reasonable response to the increased efforts which the Asian members of the Plan have been making over the past several years to develop their economies.

This increase in next year's contribution would not be of such proportions as to give the impression that Canada is planning to indulge in lavish aid programmes in the new international situation which is foreseen by many people here and abroad but would be large enough to help significantly in keeping up the momentum of development activities in the Asian countries. With any real or apparent relaxation in international tensions, it is probably even more important than before that improvements in living conditions and in the prospects for the future should be achieved by those Asian countries which are associated with the Colombo Plan. A contribution of the kind proposed, including the constructive project which is to be undertaken in the atomic energy field, would be a token of Canada's genuine interest in the welfare and progress of those countries. This tangible evidence of sympathy and concern for them in the present situation could have substantial political and economic consequences far in excess of the amount of money involved.

Recommendations

For the reasons indicated above, I would recommend that:

(a) Parliament be asked to approve a Canadian contribution under the Colombo Plan in 1956-57 amounting to \$36.4 million including any expenditures required in that year in connection with the reactor project; and

(b) the Canadian representatives at the Singapore meeting be authorized to indicate that, subject to the appropriation of funds by Parliament, Canada will make a contribution of this amount.

²⁰ Voir Volume 17, les documents 549 et 558./See Volume 17, Documents 549 and 558.

C. Canadian Delegation to the Singapore Meeting

In the light of the importance of this meeting and of the interests of the various Departments in the matters to be discussed there, I would recommend that the Canadian Delegation should consist of:

The Honourable L.B. Pearson,
Secretary of State for External Affairs;
Mr. J.F. Parkinson,
Department of Finance;
Mr. A.E. Ritchie,
Department of External Affairs;
Mr. J.H. English,
Department of Trade and Commerce;
Mr. R. Crépault,
Department of External Affairs;
Mr. J.G. Hadwen,
Department of External Affairs;
Mr. D.S. Armstrong,
Trade Commissioner in Singapore.²¹

L.B. PEARSON

²¹ Le 21 septembre 1955, le Cabinet a approuvé la composition de la délégation canadienne, mais a autorisé le représentant canadien à ne déclarer que ce qui suit :

“(i) that Canada favoured continuation of the plan beyond 1957 to approximately the middle of 1961;
(ii) that, subject to a review of the situation from year to year and to voting of funds by Parliament, the government expected to make contributions throughout this period;
(iii) that the contribution for 1956-57 would probably be greater than that provided for the present fiscal year.”

On September 21, 1955, Cabinet approved the composition of the Canadian delegation but authorized the Canadian representative to state only:

“(i) that Canada favoured continuation of the plan beyond 1957 to approximately the middle of 1961;
(ii) that, subject to a review of the situation from year to year and to voting of funds by Parliament, the government expected to make contributions throughout this period;
(iii) that the contribution for 1956-57 would probably be greater than that provided for the present fiscal year.”

SECTION B

RÉUNION DU COMITÉ CONSULTATIF DU COMMONWEALTH
SUR L'ASIE DU SUD-EST, SINGAPOUR, 17-21 OCTOBRE 1955
MEETING OF THE COMMONWEALTH CONSULTATIVE COMMITTEE
FOR SOUTH-EAST ASIA, SINGAPORE, OCTOBER 17-21, 1955

SUBDIVISION I/SUB-SECTION I

INSTRUCTIONS

248.

DEA/11038-5-A-40

*Extrait des instructions à la délégation à la réunion
du Comité consultatif du Plan de Colombo*

*Extract from Instructions to Delegation to the Colombo Plan
Consultative Committee Meeting*

CONFIDENTIAL

[Ottawa, n.d.]

FUTURE OF THE COLOMBO PLAN AND THE SIZE AND SCOPE
OF CANADIAN PARTICIPATION

The first planning phase of the Colombo Plan terminates on June 30, 1957. It is expected generally by all countries that the Plan will be continued beyond this date. The United Kingdom Delegation has already indicated that they will support its continuation, preferably on an indefinite basis.

2. Cabinet has agreed that the Canadian Delegation should favour the continuation of the Colombo Plan beyond 1957²² and that the Canadian representatives should suggest that the next planning period might coincide, more or less, with the completion of some of the major development plans in the area. A suggested date is mid-1961. While the Canadian Delegation would have no objection to the continuation being of an indefinite nature if a majority of other participating countries favour this, there would appear to be some merit, particularly from the point of view of the Asian countries, to establishing another planning phase which might perhaps be carried forward to the date suggested above. This date, incidentally, coincides with the end of the second five-year plan of India. To give substance to the Canadian position, the Canadian Delegation has been authorized to indicate that, subject to a review of the situation from year to year and to the voting of funds by Parliament, the Canadian Government would expect to make appropriate contributions throughout this period. It seems highly desirable that the Canadian Delegation be in a position to make it quite clear at this year's meeting of the Consultative Committee that the Canadian Government will continue to support the economic development programmes of the countries of South and Southeast Asia in a period which will be a critical one in the planning of most of these countries.

3. With respect to next year's contribution, the Canadian Delegation is not in a position to announce the exact amount of funds which the Canadian Government will ask Parliament to approve for the fiscal year 1956-57. However, it has been agreed that, without mentioning any figures, the Conference might be informed that in addition to the existing

²² Voir le document précédent./See the preceding document.

annual programme which has been running at \$26.4 million, the Canadian Government hopes next year to increase its contribution. The additional funds which Parliament will be asked to approve will cover, over a period of two or three years, the atomic reactor to be built in India, the increased costs of the Warsak project in Pakistan and possibly also provide for certain modest projects in countries now participating in the Plan and which have not been assisted by us (aid to non-Commonwealth countries is discussed further in Section II of this Brief).

4. It should be understood, of course, that as in the case of our programmes for India, Pakistan and Ceylon, worthwhile projects would have to be agreed upon.

5. While it is useful to inform the Singapore Conference of the various factors which have prompted the Canadian Government to seek an increase for next year's vote, it would not seem advisable to tie this increase too tightly to specific items at this time. It would not be advisable, therefore, to give any indication of the amount which Canada anticipates would be available for these various new undertakings. The amount which is finally voted for 1956-57 will, in part, have to be kept flexible to meet the needs of the programme as next year progresses.

6. Attached as Appendix "A"† are suggested notes for possible inclusion in the speech which will be made to the meeting of Ministers by [Pearson] the leader of the Canadian Delegation.

AID TO NON-COMMONWEALTH COUNTRIES

It has been agreed that Canada's Colombo Plan aid to the non-Commonwealth countries in the area (e.g. Burma, Thailand, Viet-Nam, Laos and Cambodia, Indonesia and possibly Malaya) should be extended and that it should be possible to make immediate investigations of a number of projects which would allow for the expenditure of Colombo Plan funds in this and succeeding years. In fact, certain projects have already been investigated during the current year and part of the additional \$1 million vote in 1955-56 has been used for this purpose. On the basis of these investigations and others in the future, it is expected that a number of worthwhile projects will be produced. Since most of these countries are considerably lacking in administrative and technical skills, it is clear that any modest projects for capital assistance would have to be closely related to our technical assistance programmes. It might be necessary for Canada to take more initiative to help these countries sort out their requests and determine in what ways Canada might best help them. It may also be necessary to send more Canadian experts out to investigate possible capital assistance projects than has been required for projects in India, Pakistan and Ceylon. Since the non-Commonwealth countries have received so little assistance from Canada we should avoid, if possible, long administrative delays in determining whether a project will be assisted. A survey of the technical assistance required by these countries which Canada has undertaken, was carried out earlier this year when Mr. Bartlett, Chief of the Technical Co-operation Service, visited most of these countries and reported on some possibility. It is obvious however, that more intensive investigations will be required before it will be possible to determine exactly which projects seem suitable for Canadian assistance.

2. It is suggested that the following offers of assistance might be explored with recipient countries during the Singapore Conference.

(a) Burma has expressed a great interest in securing a cobalt beam therapy unit and arrangements are being made for one of these to be made available to Burma. A suggested outline of the proposal which might be offered to Burma is attached to this Brief as Appendix "B".†

(b) Arrangements are under way to send a technical mission to Indonesia to investigate the possibility of assisting in staffing and equipping an engineering institute in that country. This mission would also investigate the needs of Indonesia with respect to an aerial survey and a geographical survey. This proposal could be discussed in detail with the Indonesian delegation and while we are not in a position to indicate the exact date when this team would visit Indonesia we are hopeful that it would be in the immediate future.

(c) The delegation might be prepared to discuss aid possibilities with the delegations from the Indo-China States. These countries have received very little aid from Canada; but it was suggested at last year's Colombo Plan Conference in Ottawa by Canadian Ministers that we were well-placed to send French-speaking experts to these countries under the technical assistance programme and to provide training in our French-speaking universities for students from this area. The delegation might discuss particularly with the Cambodian delegation the desirability of sending a French-speaking fisheries expert to Cambodia. The latter country have asked Canada to supply some fish drying equipment. While it is possible that we could undertake this project next year, it may be that there are other parts of the fishing industry which also require urgent help. We are hopeful that a fisheries expert could be made available to visit Cambodia and possibly the other Indo-Chinese States if so requested in the immediate future.

(d) The delegation may wish to take the opportunity of the visit to Singapore of the three Truce Commission Supervisors to discuss the needs of the Indo-Chinese States for economic assistance. We understand from Mr. David Owen that the United National Technical Assistance Board is anxious to undertake programmes in Indo-China. Mr. Owen has indicated that they would welcome consultation with Canadian officials. He has suggested that the UNTAB representative, Sir Alexander McFarquar, who will be in Singapore should be given an opportunity to discuss possibilities for economic assistance with our Truce Commissioners. The Canadian delegation might undertake to co-ordinate such discussions.

(e) The delegation should be prepared to discuss the technical assistance requirements of all non-Commonwealth countries as it is hoped that we will be able to expand our technical assistance programmes in a variety of ways to these countries next year.

ADMISSION OF NEW MEMBERS

Afghanistan

Canada does not at present see that the membership of Afghanistan in the Colombo Plan is possible or desirable particularly because of the open opposition to Afghanistan membership from some of the South and Southeast Asian countries, Pakistan in particular. Afghanistan is a little outside the immediate Colombo Plan area and would, if admitted to the Colombo Plan, tend to bring with its membership a number of difficult problems, for example, the difficult problems concerning Indian and Pakistan relations, U.S.S.R. and U.S.A. relations, which might do more harm than good. In addition, the Government of Afghanistan has been notoriously corrupt and inefficient. Should this Government change, however, for the better, it is possible that our objections to the provision of economic aid might be reduced. The background for a Canadian decision on Afghanistan membership is:

(a) The Colombo Plan was not the most suitable instrument with which to offset Russian influence in Afghanistan.

(b) It would be unwise to bring the disputes between Pakistan and Afghanistan within the context of the Colombo Plan.

(c) We lacked representation in Afghanistan and consequently accurate information about the country.

(d) The fields in which Canada could provide assistance were limited.

(e) The administration of Afghanistan was so disorganized that it could not be relied upon to participate effectively in any scheme of assistance.

(f) Pakistan objected strenuously and the United Kingdom and Australia were averse to the admission of Afghanistan to the Colombo Plan.

(g) The offer of economic aid would allow Afghanistan to play off one side against the other and would likely result in increased Russian economic and political pressure.

(h) It was very doubtful if any assistance which could be provided would substantially affect Afghanistan's position in her relations with Russia and the West.

(i) It was unrealistic to think that Afghanistan would drop agitation for Pakhtoonistan [sic] in return for economic help from the United States and the Commonwealth.²³

France

2. Canada is well disposed towards a French application for membership in the Colombo Plan but we have conditioned our response to French proposals on the reaction of the Asian members of the Colombo Plan. In general, it is the Canadian conclusion that only if these Asian governments were prepared to accept and to welcome France as a member of the Colombo Plan would we be able to support her candidature. It is considered that should France be admitted there would be applications from other European countries with similar interests in South and Southeast Asia, particularly the Netherlands. Indonesia would almost certainly object to admission of the Netherlands and, therefore, it seems that the prospects of success for French candidature are not too good. It is not thought that there would be any other proposals for memberships brought before the Singapore meetings of the Colombo Plan.

FUTURE OF THE BUREAU FOR TECHNICAL CO-OPERATION AND POSSIBLE ESTABLISHMENT OF A COLOMBO PLAN SECRETARIAT

In general the Canadian authorities feel that the Bureau for Technical Co-operation has served a modestly useful purpose and that if we were to start a Colombo Plan organization again we would be prepared to support the creation of some similar body. The Bureau has assisted in avoiding duplication of technical assistance requests, has served as a channel through which applications could be directed by countries in Asia to the donor countries which did not have representation in each other's respective capitals. It has also helped in standardization of conditions for exports going to the area and has provided valuable material for discussions on general policy. However, it is recognized that the Bureau has had a very limited sphere of operations and that there would undoubtedly be ways of increasing its effectiveness under fresh direction as part of a Colombo Plan Secretariat, for example.

2. The Canadian authorities are not particularly dissatisfied with Dr. Curtin's performance as Director of the Bureau and we would not want to support any move to have him ousted summarily. On the other hand, it is recognized that he might not be the most suitable person to head an expanded Colombo Plan administration and that under a reorganization of the existing administration it might be found possible to replace Dr. Curtin with someone who would be able to deal more effectively with the operations of the Bureau for Technical Co-operation.

3. Mr. Casey's proposals for the creation of a Colombo Plan Secretariat by absorbing the Bureau and the Information Unit and creating an Economic Aid Section have been viewed

²³ Le Pachtounistan était une région au nord-ouest du Pakistan réclamée par l'Afghanistan. Pakhtunistan was a region of northwestern Pakistan claimed by Afghanistan.

with favour in Ottawa, subject to the proviso that they must be acceptable to the Asian members. In addition, it is the Canadian thought that any expansion of the Colombo Plan Secretariat should be modest and that the Economic Aid section would be expected to concentrate on the provision of information about economic aid rather than on any co-ordination of economic aid projects. The Colombo Plan Secretariat could also do a good deal of work in preparation for the annual meeting and could keep records of capital assistance projects under way. However, it is considered that such an Economic Aid Branch should not undertake to do overall analysis of Colombo Plan progress and objectives and that this task should be left for the annual reports.

4. In all discussions of the future form of the Colombo Plan organization and of the future development of the Plan itself, it is the Canadian view that the existing bilateral and informal nature of the Colombo Plan operation should be retained and that it would not be desirable to create any type of administration which would interfere with the direct contact between donor and receiving governments, which has been so fruitful up to the present.

5. In considering proposals such as that of Mr. Casey, it would not be appropriate for the Canadian Delegation to take a position in advance of that taken by other major Colombo Plan delegations, nor would Canada be prepared to initiate any ambitious programmes. Above all, however, the Canadian Delegation should make certain that any concrete proposals coming before the Conference have substantial Asian support.

6. The Colombo Plan Information Unit has only just begun to function and has, in Canadian eyes, made a very useful start. It would seem unnecessary to disorganize the existing organization which has been set up and Canada would favour a continuation of the Information Unit's operations on the present basis.

7. It has been suggested that Canada might consider supplying a Canadian to fill one of the important roles in a revised Secretariat. If Canada is asked to do so, the delegation could accept the proposal and suggest that it might be possible for a suitable Canadian to be found. Our ability to provide a candidate will depend in large measure on the type of Secretariat which the Conference finally decided to establish.

8. There will undoubtedly be numerous questions concerning the financing of a Secretariat, the salary level of the Director and so on. There will probably be discussions also concerning the location of the Secretariat. On the latter point, Colombo would seem to have a good claim (facilities and some personnel already there, small and fairly conveniently situated country, and place of origin of the Plan). On financial aspects, the delegation will be expected to exercise its own judgment and not to accept any definite commitments until there has been an opportunity to consider them in Ottawa.

TECHNICAL ASSISTANCE

Canada has circulated to the member governments some comments on problems related to the Technical Assistance Programme, which propose:

- (a) That the priority lists be prepared annually by recipient countries.
- (b) That firm written undertakings be given that trainees would return to employment for which their Colombo Plan experience would assist them.
- (c) That nomination procedures and forms be improved to allow for these two suggestions.

Furthermore, Canada feels that more requests for assistance in the development of training institutions in the area itself could be sympathetically considered in line with the often repeated recommendations of the Colombo Plan Consultative Committee and Council that training programmes in the area should be encouraged in preference to the sending of

trainees abroad. There were also included some suggestions for more effective use of Canadian experts (provision of understudies, making available adequate facilities for working or teaching, prompt payment of allowance, etc.)

2. Attached as Appendix "C"† is a copy of the paper dealing with our views on technical assistance which has been circulated to other member governments.

...

SUBDIVISION II/SUB-SECTION II

RAPPORT
REPORT

249.

DEA/11038-5-A-40

*Extrait du rapport de la délégation
à la conférence de Singapour
auprès du Comité consultatif du Plan de Colombo²⁴*

*Extract of Report by Delegation
to Singapore Conference
of the Colombo Plan Consultative Committee²⁴*

CONFIDENTIAL

October, 1955

...

[PREMIÈRE PARTIE/PART 1]

DISCUSSIONS WITH THE BURMA DELEGATION DURING THE COLOMBO
PLAN MEETINGS

Attached (Appendix 1)† are copies of the correspondence between Mr. Pearson and the Leader of the Burmese Delegation, concerning the cobalt beam therapy unit. The Burmese were happy with this offer and proposed to send a formal reply through appropriate channels from Rangoon.

During our discussions with the Burmese, we asked for and were given an assurance that acceptance of the cobalt beam therapy unit would not prejudice further Canadian aid to other projects. There are three Burmese doctors now in the United States studying on Smith-Mundt scholarships. It was suggested that these three doctors or their leader might come to Ottawa to discuss further details concerning installation of the cobalt beam therapy unit. At the time of their visit, it was also proposed that they would spend some time with National Health and Welfare and Atomic Energy of Canada, Ltd., and possibly with some of the medical educational authorities so that on return to Burma they would have a better idea of training facilities available in our country and of the type of experts we might or might not be able to send to Burma in this field.

The Burmese were also told with regard to the cobalt beam therapy unit that if, at the time of the installation of this unit in Rangoon, it seemed necessary to send a Canadian expert out for a period to supervise the work, this could be considered. The Burmese were told also that it would take at least eighteen months to manufacture and set up the cobalt

²⁴ Pour le rapport présenté au Cabinet par Pearson sur la Conférence de Singapour, voir le document 538. For Pearson's report to Cabinet on the Singapore Conference, see Document 538.

unit and that arrangements would be made for a training programme to coincide with the despatch of the unit from Canada.

As far as new projects were concerned, the Canadian Delegation suggested that Canada was prepared to undertake some modest and useful capital assistance programmes in Burma subject to the availability of funds. One of the major difficulties was that in Canada there were very few experts qualified to discuss detailed programmes of economic aid for Burma and, for that matter, very few Burmese who understood much of availabilities in our country. The Burmese emphasized the economic difficulties into which they had fallen as a result of the deterioration in their balance of payments position and stated that they were now able to undertake only some 50 per cent of the projects originally planned for implementation in their development programme.

They did not seem to press the request for assistance on the aerial survey very far. Possibly some of Palmer's views on the feasibility of Canada's providing much assistance to Burma in this field are known to them; however, there remains a possibility of Canada's providing some equipment in this field. Palmer has apparently recommended that Canada consider supplying a relatively small amount of equipment for use on aerial survey work.

On several of the Burmese requests, the Canadian Delegation indicated a lack of interest or inability to provide the facilities demanded; for example, we were doubtful of our ability to provide much assistance in the exploration of lignite coal deposits and did not react enthusiastically to the Burmese project for the construction of a fertilizer factory in Rangoon. Similarly, their request for assistance in the exploration for uranium was not taken up. As far as the further requests for medical experts were concerned, we suggested that these should best be discussed with Dr. Clark after his arrival.

However, three projects which the Delegation did agree to put forward as suitable for further investigation in Ottawa emerged from these talks. The first is an application for assistance in providing equipment for a technical high school. As nearly as can be determined, the Burmese have also asked for help on this project and are receiving it from the Ford Foundation, Australia and the United Kingdom. The Burmese would be interested in Canadian experts for assignment to the staff of the high school as well as in Canadian equipment for installation in some of the laboratories. Attached is a copy of the A-4 Form submitted by the Burmese through the Council for Technical Co-operation (Appendix 2).†

The second project discussed with the Burmese was a request for diesel locomotives. The Burmese prepared this request after noting Canadian assistance with this type of equipment to Ceylon. Attached is a copy of their preliminary submission in this connection (Appendix 3).† Apparently, the Burmese Purchasing Mission, which made a tour of Europe and North America in 1953-54, had made plans for the purchase of diesel equipment but these have now had to be abandoned because of foreign exchange difficulties. As will be noted by Mr. Daniel's covering letter to Mr. Ritchie,† the Burmese would like to have a preliminary Canadian reaction to this request before placing the matter formally before us. If our preliminary reaction could be at all favorable, it would presumably include a request for more detailed specifications upon which some conclusion could be reached in Ottawa. It might be useful to consider sending out a Canadian diesel engineer in the near future to assist the Burmese in preparing this programme.

The third possibility for Canadian assistance relates to Burmese requirements created by the necessity of expanding their present electrical system. Attached is a submission giving details of the equipment (chiefly transmission line equipment) which is apparently needed to make the best use of generators already ordered (Appendix 4).† As the Burmese

Minister described it to Mr. Pearson unless they receive assistance from someone in establishing a distribution network, some of the large diesel units which they have purchased cannot be brought into effective operation. The same action is required by the Canadian authorities on this project as on the previous one. It may be necessary to sent out two experts on brief survey missions, one in the field of diesel railway electrification and the other in the field of transmission line engineering.

During the meetings, the Burmese on a number of occasions commented that they had a great many outstanding requests for technical assistance which had not been answered through the Bureau for Technical Co-operation. It was explained to them, particularly at the Technical Assistance Group meetings, that some of their requests have not been sufficiently well prepared to enable donor countries to take rapid action. Possibly the preparation in a very tentative way of the diesel engine and electrification requests for us is a sign that the Burmese are giving more thought to the manner in which their requests are put forward. Like the Cambodians, the Burmese seemed somewhat irritated at the slowness with which Colombo Plan aid was developing. To judge from Palmer's experience, it may be very difficult for us to undertake much in the way of a Colombo Plan programme in Burma without a great deal more time being given to the area by a Canadian representative, possibly the one who will be stationed shortly in Singapore.

Also attached is part of a memorandum arising from discussions which the Delegation had with Mr. P.E. Palmer (Appendix 5).†

J.G. HADWEN
Secretary

[2^e PARTIE/PART 2]

DISCUSSIONS WITH THE CAMBODIAN DELEGATION DURING THE COLOMBO
PLAN MEETINGS

We had several discussions with the Cambodian Delegation, particularly with Phlek-Phoeun and Clement Pann, both of whom had, of course, attended previous Colombo Plan meetings.

At the beginning of the meetings, Phlek-Phoeun told us that he felt that he had wasted at least a year on the Colombo Plan. His country had received little or nothing under its auspices. He was prepared, however, to exempt Canada from his rigorous expression of disappointment because we had provided some experts and training facilities and because the two veterinary vans had arrived just before he left to come to Singapore. Phlek-Phoeun was particularly bitter about the failure of the United Kingdom to do anything constructive. Apparently, Alex Simon during the meetings in Ottawa made a number of promises on which no action was taken. Subsequently, the United Kingdom Scientific Advisor, Mr. Mills, who was stationed in Karachi, made a visit to Cambodia and made a number of further recommendations — none of which have been implemented. Phlek-Phoeun's comments were that every U.K. official seemed to contradict every other official with the result that nothing is done.

These comments of the Cambodians on the United Kingdom programme for their country assumed greater significance after a conversation with Sir Alexander MacFarquhar, who as the UNTAB representative has made several trips to Cambodia. Sir Alexander remarked that he thought that the Colombo Plan donor countries would do well to make an especially sympathetic effort to do something in Cambodia because he had sensed some

irritation on the part of the Cambodian authorities at the slowness with which practical assistance from the Western countries was being made available.

The Cambodians were informed of our decision to send out an expert as a response to their request for assistance in the form of fish drying equipment. They understood the difficulties of supplying equipment of this kind from Canada without an on-the-spot investigation and welcomed the proposed Canadian expert's tour. They hoped, however, that he would be qualified in other aspects of the fisheries industry. They were not thinking of someone to advise on fishing but wanted someone to help with advice on processing and marketing. It was agreed that the Canadian expert, when he came, would have fairly general terms of reference and would be asked to make suggestions to the Canadian authorities concerning the possibility of Canadian economic aid and technical assistance to Cambodia in this field.

In addition to the possibility of Canadian activity in fisheries, there was also consideration of the possibility of Canadian aid in the generation of electrical energy. The Cambodians agreed to prepare some material on their present facilities in this field and on their requirements for which they had not already placed orders. Cambodia has needs, so it appears, not only in Phnom-Penh but in the fourteen provinces. Their existing equipment is very limited. After receipt of the information to be supplied by the Cambodians, the Canadian Delegation agreed that consideration would be given to sending an expert in the generation of electrical energy to Cambodia to do a survey of possible Canadian assistance.

During our discussion with the Laos Delegation, we were also informed of a medical centre for the training of hospital personnel which exists, or is being established, in Phnom-Penh. This was thought to be another possibility for Canadian assistance, especially since it appears to have some regional training functions.

The major part of our time with the Cambodians was, however, spent in discussing their difficulties in arranging for much participation of their country in the technical assistance programmes. They described their difficulties — which they considered almost insuperable at the present time — in providing housing, transportation and the administrative and technical personnel which were required to make the best use of an expert's services. The Cambodians sketched their difficulties in providing flats at government expense for foreign experts when their own housing needs were so urgent. A building had been put up for the United Nations and United States technicians at United States expense. The Canadian Delegation described our problems in providing funds for similar buildings to house Canadian experts and suggested that the Cambodians might wish to consider approaching the United States for further funds of this kind.

The Canadian Delegation indicated a possibility that we might be able to be more forthcoming in the provision of suitable transport for Canadian experts. Some arrangement by which the United States provided housing and Canadians provided transport for foreign experts might be worked out. Canada could not, however, contemplate the provision of transportation for all foreign experts but only for such Canadians as there might be and perhaps a few others. Perhaps even more important than the provision of four-wheel drive vehicles or other suitable carriers might be the provision of repair facilities, since at the present time these are desperately limited.

On the difficulties which arise in providing administrative and technical personnel, reference was made to the efforts of Mr. Boudreault's and Mr. Grenier's secretaries, to train local personnel. It seemed clear that if Canadian experts go to Cambodia and if they are required to conduct much correspondence with the local authorities or with Ottawa, some provision for secretarial assistance might have to be made. Even more disturbing, however,

was the likelihood that there would be very few understudies or counterparts available to assist the Canadian expert and to carry on after he left.

On the subject of trainees, the Cambodians indicated their difficulties in providing people of the appropriate standard of education to take advantage of Canadian and other offers of technical assistance. The Canadian Delegation suggested that, if asked, we might be willing to consider taking trainees at the high school level for fairly basic education in Canada in preparation for university work. We indicated in general terms some of the fields in which training was available.

Phlek-Phoeun asked for and was given clarification of the content of Canada's economic aid programme to his country. It was not possible for us to provide what he called "financial aid". The only way in which direct assistance could be given to Cambodia's balance of payments' difficulties was through the provision of some commodity or consumer goods which could be sold to create counterpart funds for use on agreed development projects. Mr. Ritchie recalled a meeting at Ottawa with Phlek-Phoeun which had come to the conclusion that there was no commodity at present available from Canada which Cambodia normally imports and which could be used to create counterpart funds. After some discussion, it was agreed that there was little to be gained from pursuing this particular avenue of assistance further.

Concerning what Phlek-Phoeun called "economic aid", the Canadian Delegation said that it was now possible to consider some form of capital assistance to Cambodia but that at the present time the volume of such aid would not be large. When pressed for a specific figure which Phlek-Phoeun could use on return to his country, we refused to comply and noted that in 1955-56, we had only \$1 million for the three Indochinese States as well as for the other non-Commonwealth countries of the area. As a result, aid to Cambodia would have to be in the tens or possibly the hundreds of thousands. The volume of Canadian aid would, however, depend on the quality and the quantity of projects brought forward for detailed consideration. We emphasized the necessity for providing as much information as possible in support of requests for technical or capital assistance.

J.G. HADWEN
Secretary

[3^e PARTIE/PART 3]

DISCUSSIONS WITH THE INDONESIA DELEGATION DURING THE COLOMBO PLAN MEETINGS

Our first contact with Indonesia's problems arose from our discussions with Mr. Palmer. Attached is a copy of our memorandum (Appendix 1)† which was done following discussions with him and which reports his generally favorable views on the possibility of Canadian assistance in carrying out aerial photographic work in Indonesia. Copies of Mr. Palmer's letter to Dr. Djuanda of September 30th (Appendix 2)† and to Mr. Mills of September 26th (Appendix 3),† which have already been received in Ottawa, are attached for ease of reference. Palmer gave us a copy of a map which the Indonesian Photographic Survey Department had produced and which, he said, was as good as any maps produced elsewhere in the world. This map is also attached (Appendix 4)† and is perhaps a partial explanation of Palmer's enthusiasm.

Subsequently, we had a Delegation meeting with Dr. Djuanda and Achmad Ali, during which we discussed in more general terms our aid programme with Indonesia. We were given copies of a document, dated October 11th, entitled, "Summary Review of the Min-

eral Resource Development Programme for 1956-1960". Two copies are attached (Appendix 5).† It is our impression that the Indonesians presented this memorandum to most of the donor country delegations at Singapore. Certainly, it has been placed before the ICA, and one expert has already been promised from Japan. One major point on which we were never really satisfied was the relationship of this Indonesian submission to the Canadian programme already underway in Indonesia for which we are already providing two geologists and possibly a third.

The Indonesians do not contemplate an overall survey of mineral resources for which one donor country would be responsible, but are seeking assistance from abroad for the programme of mineral resources survey which they propose to undertake and organize themselves. The experts who would be supplied under this scheme would be assigned to particular operational posts but might also be expected (as one of the Canadian experts is already doing) to undertake teaching courses. There appears to be considerable possibility of confusion in the organization of this mineral resources survey, particularly as experts are going to be supplied from three or four donor countries and agencies. Dr. Djuanda expressed great satisfaction with the Canadian geologists now on the scene.

There was no discussion with the Indonesian Delegation of possible Canadian assistance to the aerial survey since it was agreed that the next step was up to Ottawa, where action could presumably be taken on the basis of the reports already made available.

The Indonesians welcomed our proposal to send out a team to Indonesia to look into the possibilities of aid to technical training institutions. They referred in this connection to a report by a United States survey team which had been completed recently on the general subject of technical education in Indonesia. Achmad Ali agreed to make a copy of this report available to Mr. Heasman's office for use by the Canadian expert when he came.

The Indonesians are also anxious to obtain the services of Dr. Keyfitz and perhaps another Canadian to help them in the preparation of their census. They wanted to know what the chances were of getting Dr. Keyfitz's services under the Colombo Plan for a further period, perhaps for as much as three more years.

We had some discussion with the Indonesians concerning their undergraduate students' training plan. Ottawa had agreed to accept ten students for such training this year. We were subsequently informed that the Australians were flying (during the period of the Conference itself) 140 Indonesian students who would begin undergraduate training in Australia this fall. So far as the Canadian programme was concerned, the Indonesians promised to be careful in selecting suitable candidates and to ensure that they would be satisfactorily employed on their return.

The Indonesians seemed appreciative of Canadian assistance. There was not very much that the Delegation could do during the meetings in view of the existing close liaison between Dr. Djuanda and his officers and the Canadian Embassy in Djakarta.

J.G. HADWEN
Secretary

[4^e PARTIE/PART 4]

DISCUSSIONS WITH THE LAOS DELEGATION DURING THE COLOMBO
PLAN MEETINGS

At the beginning of the meeting, Mr. Ritchie explained the general frame of reference within which Canadian economic aid programmes with Laos would be worked out, indicating that so far as capital aid was concerned the Laos authorities could not expect more

than a fairly limited amount of assistance. He spoke in terms of tens of thousands rather than of hundreds and indicated that the primary emphasis, at the beginning in any case, would have to be on technical assistance.

Concerning technical assistance, the Deputy Prime Minister of Laos had apparently no conception of the type of education that was available in Canada in French. We explained to him in some detail the types of courses given at the French-speaking Canadian universities and tried to interest him in the possibility of sending some candidates from his country. However, he emphasized several times over that Laos had very few people that it could send to training courses abroad. Our general impression was that the Laotians preferred that anybody who could be spared from the country should study in France. In any case there were so few experienced officials that hardly anybody from the public services could be spared.

With regard to experts, the Laos authorities stressed their housing, transportation, and counterpart problems. Our general impression was that for these reasons (and possibly also for the additional reason that the United States and United Kingdom programmes are providing a number of experts), few requests in this field would be received by Canada.

The Laotians were, however, anxious to get some form of capital assistance from us. It was our impression that they would welcome any agreed form of Canadian aid. The Canadian Delegation indicated its desire to provide some economic aid since Laos is the only country in the Colombo Plan to whom we have so far not given assistance. Altogether six possible fields of aid were discussed.

The first priority, according to the Laotians would be for a mining and prospecting survey of their country. They believe there are uranium and various non-ferrous metals to be discovered. The local inhabitants have themselves been working some deposits of precious metals, and it is believed there are also iron deposits close to the surface. The Laos authorities said that they had some maps and that some very preliminary studies had been done during French days. One of the difficulties that emerged from the discussion was that of transportation, there being very few roads in Laos. What is more, the geological survey work would have to be done in very difficult terrain. It was thought that this could only be accomplished properly by helicopter or on foot. The Laotians emphasized that the work would be carried out in the settled and tranquil districts. The Canadian Delegation agreed that this form of aid from Canada might be considered in Ottawa, and after further investigation, someone might be sent out to discover if it would be practical for Canada to offer assistance.

In the field of hydro-electric energy, the Laotians mentioned the Mekong River project and remarked that they had some other projects for the development of electrical energy on which they wanted help. Concerning the Mekong project, it is understood that ECAFE already have a survey team preparing a study. This is a fairly limited study involving ECAFE experts in Laos, Cambodia and Thailand. They will be preparing through the ECAFE headquarters a general economic report on the project. Sir Alexander MacFarquhar of the United Nations told us that he had asked for, and received, authority from UNTAB headquarters under a special regional emergency fund available to spend upwards of \$150,000 on a more detailed engineering study of the project. He was now negotiating with ECAFE to see how this could be arranged. It was believed it would have to be done under ECAFE leadership. After our talk with the Laotians, we spoke to both MacFarquhar and Lokanathan and indicated that, if asked, we were sure the Technical Co-operation Service would be willing to try and find Canadian French-speaking personnel to work on this project. However, as far as the Laotians themselves were concerned, we told them that

Canadian aid would not be on a scale sufficient to undertake a project of the size of the Mekong Dam and that our attention would have to be concentrated on a part of a project of this magnitude or on a smaller project.

The Laotians then indicated some of their difficulties in producing electrical energy at all and referred to the very limited facilities which now existed, even in Vientiane, for generating electrical energy. They would be most interested in any assistance we could give in the form of diesel generating equipment, and the possibility was left open that we might send someone to look into this field in Laos, particularly if someone were going to Cambodia in the same field.

The Laotians also asked for our help in providing hospital equipment and we pointed out to them some of the problems we faced because of the fact that most hospital equipment used in Canada is manufactured in the United States.

The Laotians then expressed their wish to receive aid in the form of agricultural machinery and tractors. They had land available for cultivation but suffered from a shortage of labour. Australia is already providing some assistance in this field and has supplied ten tractors. The size of tractor which they had in mind was 85 to 105 horsepower. Mr. English thought that the possibility of Canadian assistance perhaps in maintenance as well as in the provision of tractors should be carefully studied and that there very well might be Canadian firms that would be anxious to co-operate in sending someone out to Laos to do an on-the-spot study. One of the major forms which our assistance could take would be in the provision of repair facilities since, apparently, there is no adequate centre of this kind anywhere in Laos.

Another field in which the Laotians would be grateful for our help is what they call "sanitary education". WHO and UNICEF are already active in this general area but do not have much money for expenditure on equipment. It was left very much in the air as to whether Canada could become involved in this field and Mr. Ritchie subsequently thought that we might contact WHO for a general report.

Finally, as we were leaving, the Laotians raised the possibility of help from Canada in the form of sawmilling equipment, but this was not thought to be a very likely possibility by the Canadian Delegation.

In general, the problems involved in providing any economic aid at all to Laos are staggering. It is very difficult to know where to begin, and the Canadian Delegation concluded that only by detailed, on-the-spot investigation in practical subjects could anything in the nature of a country programme be worked out.

During the meeting, we drew the Laos Party's attention to our offer of film strips, films and projection equipment for audio-visual and adult education purposes, but discussion of our offer was left over until the Delegation's return to Vientiane.

J.G. HADWEN
Secretary

[5^e PARTIE/PART 5]

DISCUSSIONS WITH THE MALAYA DELEGATION DURING THE COLOMBO
PLAN MEETINGS

During the meetings, the Malayan authorities put considerable pressure on us in connection with the aerial survey. One senior official came down from Kuala Lumpur especially to press us to offer some assistance in this field. Attached is a copy of a report on the Aeromagnetic survey for Malaya which was prepared by an UNTAB expert, George Shaw

(Appendix 1).† Apparently, the Canadian authorities had not yet had an opportunity to study this report.

There is no point in this memorandum of recovering the ground that has already been dealt with so fully by Mr. Bartlett and by others who have looked into this project. As to its necessity, the Canadian Delegation during the meetings did not ask for any further background information. However, on a number of occasions the opportunity was taken of discussing our problems in dealing with a request for an expenditure of this magnitude in Malaya. The Malayan authorities were informed unequivocally that: only if the United Kingdom had been approached and was unable to undertake the work, and only if the Malayan authorities themselves were unable to do the work commercially, and only if Canada had sufficient funds available after the needs of the non-colonial territories in the area had been met, could favorable detailed consideration be given to the project in Ottawa.

The Malaysians seemed to understand our position and in preparation for meetings with us had obtained authority to say that Malaya would be able to meet a part of the costs of this survey out of its own resources. What the Malaysians said to us, therefore, was that they would be glad to know what part of the total cost of the project Canada would be prepared to undertake. The Delegation undertook to look into the possibility of Canada undertaking only a part of the total cost or some specific section of this survey which could be regarded as an autonomous project. The Malaysians appeared to be willing to make a contribution even in the form of Canadian dollars if we agreed to undertake the project as a whole.

The Malaysians' point was that their country might shortly become independent and that the Malayan people would be grateful for assistance from other Commonwealth countries given prior to their independence. What the Colonial officers were afraid of was that, with the increase in the use of synthetic rubber and the gradual diminishing of tin resources, the country might be faced with severe economic difficulties after independence unless a survey of natural resources showed further possibilities for economic development. In their anxiety to ensure that Malaya after obtaining its independence remains within the Commonwealth, the Colonial administration is anxious to ensure that the advantages of Commonwealth membership should be plainly obvious. The Malayan administration is anxious for a decision on the project to be reached one way or another in the immediate future and expressed some concern that there had been such a long delay (they said over a year) between the request being made to Canada and our giving a definite answer. The Canadian Delegation did not accept the implied Malayan criticism but agreed to stress the urgency of the situation to Ottawa and to suggest that a preliminary view one way or the other be made known to the Malayan authorities as soon as possible.

During the meetings we fairly forcefully drew the attention of the Malayan authorities to the difficulties there had been in the past concerning the employment of Canadians in the Malayan Colonial service. It was our view (which it is believed the Malaysians now appreciate) that Canadians should not be required to fill in for Colonial civil servants away on a holiday or posted elsewhere. We also stressed the difficulties which were discussed in detail in the Technical Assistance Group: of students of this area returning after courses from abroad to find that their qualifications were not as highly regarded as similar United Kingdom qualifications from traditional sources. On both of these points, the Malaysians now are at least fully informed and may conceivably bear our problems in mind in working out future projects and technical assistance programmes.

Ottawa will have already received material concerning the discussions which we had with Mr. Le Mare, the Director of Fisheries in Malaya. As a result of these discussions, a

telegram was sent to Colombo suggesting that Lantz and Macdonald meet with Le Mare on his way home on leave. Lantz and Macdonald were to report to Ottawa on two questions: (1) the suitability of Le Mare's projects for Canadian aid, and (2) the desirability of Lantz and Macdonald visiting Singapore to discuss the matter on the spot. Copies of this correspondence from our files are attached (Appendix 2).†

Attached is a copy of a memorandum which was prepared on the Singapore Polytechnic (Appendix 3).† After our discussions with Davies of the Singapore Government, this project was left pending a further submission to us by the Singapore Government. In general, we did not indicate any particular enthusiasm for this project and referred to the financial and political problems sketched above in relation to the aerial survey. The Singapore authorities are also approaching the ICA, the Australians, and the United Kingdom for help on the Polytechnic. The Polytechnic may very well turn into a regional project in which case Canada might be better able to assist it, provided funds were available and provided we manufactured the equipment required for any particular laboratory. Davies suggested and we agreed that, if Canadian aid were offered, it would best be provided in the shape of equipment for a self-contained laboratory unit. The Singapore authorities were not able, however, to press very far at the present time with their request, and all they wanted was an indication of the likelihood of Canadian aid. Not until the Principal of the Polytechnic had been appointed (as was expected in two months' time) and the heads of departments nominated would they be able to make firm and detailed requests. The question of Canadian aid to this project was left very much up in the air.

Attached also is a memorandum from Mr. Armstrong concerning three specific Malayan applications which the Delegation did not discuss in detail (Appendix 4).† Presumably these can best be dealt with further through Mr. Armstrong's office after due consideration in Ottawa.

In connection with the various Malayan submissions, a number of documents are attached describing Mr. Bartlett's discussions with the Malayan authorities; these give a great deal of information about the Malayan requests (Appendix 5).† Another report attached gives information on the technical assistance which the Malayan Government has requested from other Colombo Plan countries (Appendix 6).†

It was to be expected that the Malaysians would take advantage of the Conference being held in Singapore to press their requests. In response to our comments concerning the relationship of these requests to the requirements of the non-Commonwealth countries in the area, the Malayan answer was that just because one of the countries in South-East Asia had got its head and shoulders out of the mud while other countries were still up to their neck in economic difficulties, this was no reason for refusing to help the man who was half-way out to get all the way out.

J.G. HADWEN
Secretary

[6° PARTIE/PART 6]

DISCUSSIONS WITH THE VIET-NAM DELEGATION DURING THE COLOMBO PLAN MEETINGS

Early in the meetings, the Canadian Delegation took the opportunity of making sure that the Vietnamese understood our position relative to the provision of aid to their country under the Colombo Plan. The Delegation believes that the Vietnamese are sympathetic to our position and understand our problems in providing experts and capital assistance.

When we had a full Delegation meeting with the Vietnamese, we suggested that only through the provision of language teachers could we get very much involved in the expert programmes. Sir Alexander MacFarquhar was considerably disappointed when our position was explained to him, and he tried to suggest once or twice that Canada was being unduly sensitive in refraining from sending experts to South Viet-Nam. The Vietnamese themselves didn't seem to be very much concerned.

During the meetings, the Delegation also brought the Vietnamese Delegation and the World Bank representative together as a result of the former's request for help in determining where assistance could be obtained in preparing overall national economic plans. Mr. de Wilde subsequently told us that Viet-Nam might in the near future join the International Bank.

Our main emphasis during the Delegation meeting with the Vietnamese was on training programmes. The Vietnamese accepted our views on the desirability of relating fellowship and scholarship programmes in some way to development programmes. They also were prepared to obtain undertakings from trainees going abroad to return to Viet-Nam. What is more, the Government would consider itself under an obligation to employ trainees in appropriate fields when they returned. The Vietnamese wondered whether, in the light of our comments about annual reviews, we would be prepared to take trainees at other times. We indicated that the Canadian request for an annual review and for co-ordinated submissions on technical assistance did not, of course prohibit requests being put forward at other times.

The Vietnamese pointed out the severe difficulties they faced in finding candidates for fellowships and scholarships from amongst the civil service cadres. Many civil servants could not be spared from their work for the time involved. Similarly, graduates of the high schools who were available for advanced university work were very few in number and many of these were now going to France. (We may eventually run into the same problem in Indochina, which we have run into in the British territories, of Canadian degrees not being regarded as highly as those from the metropolitan area concerned.)

The Vietnamese asked us if we could consider taking students who only recently completed their high school training. The Canadian authorities agreed to consider this possibility for limited numbers of applicants.

We took the occasion also to remind the Vietnamese of the numerous outstanding offers from Canada to which they had not replied with specific nomination requests. Our offer of film strips, films and photographic equipment was also re-emphasized during the meeting.

The Vietnamese also circulated to all interested countries at the meeting a document entitled, "Report of the Government of Viet-Nam on Technical Assistance". Copies of this general survey are attached (Appendix 1).† It should be noted that while the submission is entitled, "Technical Assistance", it is concerned to a large extent with equipment as well as experts and training opportunities. The Vietnamese also reminded us of the requests made to us through the Canadian Embassy, Washington, and gave us a copy (attached—Appendix 2)† of a letter, dated September 23rd, under which the Vietnamese Ambassador in Washington had apparently submitted fifteen specific requests with dossiers for candidates.

We made the point to the Viet-Nam authorities that they should not warn their candidates too far in advance of their acceptance by the Canadian authorities, and that all applications for individual training should be regarded as tentative until word of their final acceptance had been received from Ottawa.

J.G. HADWEN
Secretary

[12^e PARTIE/PART 12]

POLITICS AT THE SINGAPORE MEETINGS

The meetings of the Officials and of the Ministers at Singapore had more political content than at any previous Colombo Plan meeting. This is not to say that political subjects themselves were considered by the meeting or that political considerations affected its discussions, but the period of the Conference coincided with a period of great political change in Singapore itself, which had a considerable influence on the discussions which delegations held outside the meetings. The Canadian Delegation also had discussions of some interest on political problems with the leaders of the Indochinese Delegations. It is interesting to note, however, that according to the Indian Delegation, they had no contact whatsoever with the Indochinese Delegations.

Mr. David Marshall's chairmanship of the meetings also brought the delegations much more closely in touch with Singapore political life than might have been the case if a less controversial figure had headed the Singapore Delegation. Mr. Marshall had rocketed into prominence only six months previously as a result of elections held in Singapore under the new constitution. (Copy attached).†

Mr. Marshall, who is a colourful extrovert, had succeeded just before the Conference opened in securing agreement by the United Kingdom authorities to the appointment by his Labour Front Government of additional Ministers to the Governing Council of Singapore. Marshall had also taken the initiative in establishing closer relations with Indonesia, thus invading the province of foreign relations which had hitherto been reserved to the United Kingdom authorities. Marshall's actions in this respect demonstrated a situation which came as a surprise to the Canadian Delegation, that is that the local governments of colonies are not necessarily subject to much direction from London. The Hong Kong administration is a case in point. The U.K. Treasury has been anxious for some time to close off Hong Kong as a major gap in its network of regulations to protect sterling from the dollar. The Hong Kong administration has simply refused to carry out the U.K. Government's instructions on this issue and as in the case of Singapore, has consistently followed a highly independent course of action whenever the interests of the colony seem to make this necessary.

In his speech to the Rotary Club at Raffles Hotel, Mr. Pearson very clearly stated Canadian appreciation of the difficulties which Singapore was now facing. He commented on the similar Canadian development from colony to nation and went further to express the expectation that one day Canada would have the same relationship with Singapore and the Federation of Malaya that it now has with India, Pakistan and Ceylon as freely associated members of the Commonwealth. The progress towards political independence which Singapore has made has resulted in very recent constitutional changes, but it is clear that the pace of these changes is increasing rapidly. David Marshall has spoken of independence in two years, but the pressure on himself and on his party is already such that he may well have to secure further advances before the two year period is up. He is now scheduled to go to London in the near future to make arrangements for a full-scale constitutional discussion in the Spring.

When David Marshall and the Labour Front first came into power they were faced with considerable opposition from British interests. Now the U.K. authorities and the British community in Singapore cannot speak too highly or too fulsomely of his good qualities. In fact, this very support may prove an embarrassment to Mr. Marshall. As this memorandum

is written on Sunday, October 30, Mr. Marshall's party is facing serious internal divisions and it is quite possible that his ascendancy may be brief, unless he is able to control those factions of his own and of other parties that want to proceed much more quickly than is reasonable with the attainment of self-government.

C.C. Tan, a wealthy Chinese lawyer and member of the Singapore Government, until Marshall's victory, had attended the Karachi, Delhi and Ottawa Colombo Plan Meetings. It was natural therefore, that we should be in touch with him and natural also that he should give us his views about politics in Singapore. His was the party which had advocated moderate progress towards eventual self-government, but which when confronted with the more radical and urgent programme of David Marshall's group was heavily defeated at the elections. As one of the U.K. delegates from Borneo remarked, almost invariably the local leaders who successfully cooperated with the British are discarded as soon as independence becomes a practical possibility. It is unlikely that Mr. C.C. Tan, as a moderate Chinese leader, will assume a position of political importance in Singapore again in the near future. C.C. Tan said that his own party had been outbidden in the independence agitation, but had also been defeated because of the division of the right-wing Chinese group in Singapore. He himself belongs to what is termed the "de-cultured Chinese community which acknowledges Singapore as its home. The right-wing group, however, still has some connections with the Kuomintang. This right-wing group was impatient to establish a Chinese university under a most elaborate plan drawn up by Lin Yutang. C.C. Tan says that once the drive towards self-government has begun, it cannot be stopped and that a leader such as David Marshall must be able to ride a storm and keep ahead of dissident elements, if he is to bring the change about without serious conflict. C.C. Tan was bitter, however, at the failure of the British to provide more opportunities for local people to take over positions of responsibility in the Government. "Malayanisation" of the Civil Service might now have to go forward much more rapidly and with considerable loss of efficiency as a result. The Secretary to the Governor of Singapore set this whole conflict in a wider context by referring to the regional and racial problems which condition the pace at which self-government can be attained in Malaya. It was his view that unless the Governments of India and of China work out an amicable basis of understanding, it would not be possible for Singapore to become fully independent. If there remained serious conflict between India and China then Singapore and the Federation of Malaya, as an independent unit, would have to choose between one bloc or the other. He argued that the United Kingdom might have to proceed more slowly than the local population wished in granting self-government, because of the sharp differences which now existed between Singapore, the Federation of Malaya and the Sultanates. The U.K. had contractual obligations of varying types with the different Malaysian units which it could not easily abandon. What is more, the U.K. had a responsibility towards the Malays. Since the British came to Malaya and brought with them over a period of time substantial numbers of Chinese and of Indians, it had been necessary to make special efforts to protect the Malaysians who appeared to be incapable of standing up against these two more vigorous cultures.

It might have been expected at the Colombo Plan Meetings in Singapore that the Simla Conference would have exercised an important influence over the proceedings.²⁵ This was not in fact the case. There were very few references to Simla, which is apparently regarded by most of the Asians as having been something of a waste of time, following the abandonment of Mr. Stassen's more elaborate ideas by the United States Government. The Indian Delegation in particular was most anxious that there should be no discussion of the Simla meeting and the only reference during the meetings was a brief one on the last day, in which the Indian delegate "drew attention to the summary proceedings of the Conference at the official level, when the Asian members of the Colombo Plan convened in Simla in May, 1955".

The Bandung meetings, however, had made a great impression on all the Asian delegations present at Singapore and were constantly referred to in private discussions. The value of these meetings was described as that of bringing together both Asians and Africans for the first time. From Raju Coomaraswamy we got our most vivid impressions of the meetings which were, he said, "a great show", but a number of other delegations referred to what they described as "the future importance of the Bandung concept". Coomaraswamy reported the Kotelawalla-Nehru incident. Kotelawalla had made an outspoken comment on the necessity of discussing Communist imperialism, if there were to be a discussion of European imperialism in the area. When Mr. Nehru interrupted him with the question "Why didn't you discuss this with me?" (i.e. before raising this question in the full Assembly) — to which Kotelawalla had answered "Why the hell should I discuss it with you?". Raju says that Kotellawala's willingness to cross swords publicly with Nehru on this and on other occasions was a source of surprise to other Asians, and in particular caused Chou En-Lai to have a considerable respect for the Ceylonese leader. Chou En-Lai himself, so Raju says, made a most favourable impression at the Conference being "smooth and educated".

An interesting sidelight on the Bandung meetings was Raju's comment that while the Portuguese and the Dutch were assailed repeatedly for their colonial policies, the British were not even mentioned during the proceedings as imperialists. Raju reported also that, when confronted with the necessity of re-writing their country chapter, the Nepalese Delegation had commented "How can we do this when we have never had the benefits of British occupation?" Incidentally, Coomaraswamy also tells us that the Philippines are regarded as "suckers" by the other Asians, because they have given up more to secure United States' aid than the other Asians have found it necessary to surrender. Certainly the Philippine Delegation made a most unfortunate impression during the meetings, their leader making several totally irrelevant and uncalled for speeches.

The relations between the Indian and the Pakistan Delegations at the Singapore meetings were publicly cordial but privately not too satisfactory. When the Canadian reactor proposal was discussed with the Pakistan Delegation, the Pakistanis understood our decision to place this reactor in India, but were not hopeful that they could secure any real benefit from the international facilities the Indians have agreed to offer. When it comes to

²⁵ Une conférence réunissant les membres asiatiques du Plan de Colombo, ainsi que les États-Unis et le Japon, est tenue à Simla (Inde) en mai. Pour un compte rendu de la conférence, voir United States, Department of State, *Foreign Relations of the United States, (FRUS)*, 1955-1957, Volume XXI, Washington, D.C.: United States Government Printing Office, 1990, pp. 105-106.

A conference involving the Asian members of the Colombo Plan, as well as the United States and Japan, which took place in Simla, India in May. For a report on the conference, see United States, Department of State, *Foreign Relations of the United States, (FRUS)*, 1955-1957, Volume XXI, Washington, D.C.: United States Government Printing Office, 1990, pp. 105-106.

questions of prestige, the Indians at the Conference appeared anxious to ensure that their role as a major delegation was emphasized and the Pakistanis appeared to base their own participation on a decision to balance whatever impression the Indians made. When the U.S. atomic centre was discussed, the Pakistanis commented that India was all in favour of Ceylon for the obvious reason that they would like to avoid any possibility of the centre being set up in Pakistan. Similarly, the Pakistanis referred in private occasionally to the apparent close cooperation between Indian and United Kingdom Delegations. As one Pakistan Delegate mentioned, relations between his country and India change drastically from time to time. It was clear during the meetings that relations between India and Pakistan under the Colombo Plan context had not yet reached the stage of amicable cooperation where joint projects might be possible.

The most important political excitement at the Colombo Plan Meetings was, however, created by the United States' proposal to establish an atomic regional centre somewhere in Asia.²⁶ The United States' proposal, which was the only aspect of their aid programme which was discussed in detail by Mr. Hollister in presenting the United States' section of the contributions chapter, excited great interest amongst all the receiving countries. Because no announcement was made of any decision regarding the site of this centre, the U.S. Delegation was almost immediately exposed to pressure from all sides. The Chairman of the Ministerial Meetings, Mr. Marshall, made a special effort to secure the centre for Singapore, and the Ceylonese Delegation was very much embarrassed by premature speculation in Colombo, to the effect that the centre would be located in their country. The Ceylonese authorities are, however, prepared to go to almost any lengths to ensure that the project is located near Colombo and hope if this were possible, that it might mean the beginning of the end of the prohibition against U.S. aid to their country, because of the terms of the Battle Act.²⁷ Because the Canadian offer of an atomic reactor for India had been made sometime previously, it was rather overshadowed by the United States proposal.

At no point during the meetings was there any criticism of Canadian policy in any of its aspects. In fact, the reverse was the case, and Canada's position in world affairs, as well as our economic aid programmes, came in for repeated public and private commendation. Some of this was due to Mr. Pearson's presence. He was referred to on a number of occasions as the most notable international figure at the meetings.

Attached is a memorandum† on an informal meeting which the Canadian Delegation held with Mr. Angus MacIntosh, a senior official of the Colonial Office, to discuss British colonial policy.

J.G. HADWEN

²⁶ Voir/See United States, Department of State, *Bulletin*, Volume XXXIII, No. 854, November 7, 1955, pp. 747-750.

²⁷ La Mutual Defense Assistance Control Act of 1951, piloté par le représentant L.C. Battle (Démocrate, Alabama), prévoyait la fin obligatoire de l'aide à tout pays expédiant des armes, des munitions ou des biens stratégiques dans des régions sous domination soviétique.

The Mutual Defense Assistance Control Act of 1951, sponsored by Representative L.C. Battle (Democrat, Alabama), provided for mandatory termination of aid to any country found to be shipping arms, munitions, or strategic goods to Soviet-dominated areas.

[13^e PARTIE/PART 13]

TECHNICAL ASSISTANCE

Attached are some very rough notes arising from the discussions held in the Technical Assistance Working Group (Appendix 1).† Most of the points covered in the attached notes have been reflected in the Report of the Technical Assistance Working Group (Conference Document C.C/55(o)-32 Revised) or in the "Technical Assistance" chapter of the Annual Report. The Canadian Delegation was active in preparing both these documents.

Canadian Paper

The paper which Canada had circulated to all member governments just prior to the meetings was most useful in stimulating discussion. The following is a summary of the discussion on our paper:

(a) It is fairly clear that even the most advanced of the receiving Colombo Plan countries are not prepared to make a special effort to prepare annual priority lists for presentation to Canada. (U.N. programmes are, however, negotiated on an annual basis.) The Government of Pakistan is at present following the procedure most closely in line with that which we have suggested. Some other countries felt, however, that their needs did not arise in an annual pattern and that they would like to feel free to put forward requests whenever new requirements became obvious. It may be that more and more countries will come around to preparing of annual lists as their administration for carrying out the technical assistance programmes improves, but at the present time only a few consider themselves in a position to do so. The Canadian Delegation did not press this point since some delegations misunderstood our position and asked whether Canada would refuse to consider requests which were not put forward on an annual basis. Therefore, the Delegation indicated a preference for annual submissions if possible but agreed that the Canadian authorities would, of course, be prepared to consider requests whenever they were made.

(b) With regard to firm undertakings to re-employ the trainee on his return in the field for which he had received experience abroad, most countries of the area were prepared to do this. However, several specific reservations were made, particularly by the Malayan authorities, who said that the civil service administration of this area in particular was not so designed that openings could be foreseen for individual civil servants two or three years ahead. If the trainee was at a very junior level or in a highly specialized trade, there would be less difficulty than if he were at a more senior level where it was customary to shift officials around in order to give them broad experience. The Canadian view is facing here the different concept of civil service administration which has applied in all the territories once part of the British Empire and which holds that there should be a senior cadre of civil servants capable of being transferred from one job to another as the need arises; e.g., the ICS tradition.

With regard to evaluation, even the Indians and Pakistanis had found that this type of analysis would be premature at the present time and what is more extremely difficult to do. The United Nations Technical Assistance Programme was now embarking on the preparation of an evaluation report, and Pakistan, for example, was also attempting some follow-up procedures and India is considering the establishment of evaluation machinery. The Pakistani experience had, however, been fairly unsatisfactory, and the general consensus of opinion amongst the Asian delegations was that the time had not yet come to devote scarce resources to an extensive programme of evaluation.

(c) In view of the reaction to our points "a" and "b", no particular changes can be anticipated in the nomination procedures and forms used by the Council for Technical Co-opera-

tion as a result of our proposals. One alternative idea was, however, pressed by Raju Coomaraswamy of Ceylon and by a number of other delegations.

Proposed Change in Nomination Procedures

Raju's idea was that the donor countries should accept nominations which did not give any individual name but which indicated general qualifications. Both the Ceylon and the Indonesian Delegations felt that a great deal of time and energy was being wasted by the requirement of the donor country that an individual nomination form must be completed in all cases before an agreed training programme could be established. Obviously for highly specialized courses in limited fields of study or for very advanced courses (perhaps at the Ph.D. level), individual names and qualifications would be required before a country, such as Canada, could agree to accept a candidate; however it was suggested that in other cases we might wish to consider arranging a training programme without necessarily knowing the individual trainee's name, providing adequate general qualifications were laid down.

Raju's point was that the donor country in most cases accepts the trainee whose name is put forward by the receiving country if his qualifications on paper are satisfactory; therefore, if we have confidence in the selection procedures of a receiving country, we should not theoretically object to arranging a programme for a geologist without knowing as much as, say, six months in advance what the geologist's name might be.

Both Ceylon and Indonesia had found great difficulty in operating technical assistance programmes because of the requirement exacted up to the present that all nominations would be personal ones. The difficulty arose because individuals had to go through a lengthy selection procedure and, once selected, it was disturbing for them and for the administration in which they were serving to have to wait for as long as six months in an atmosphere of uncertainty as to when they would be leaving. Sometimes it turned out to be impossible to arrange a training programme in response to a particular request with the result that, after an individual had been on the *qui vive* for a considerable period, the whole procedure had to be started all over again. The receiving governments appear to be developing increasingly elaborate and expensive selection procedures and did not want to overload these channels. They would prefer to start the selection machinery only after approval had been given in principle by a donor government to arrange a particular training course. So far as Canada was concerned, the Canadian Delegation agreed to suggest that Ottawa look into this possibility and, where possible, to consider accepting general rather than particular requests for training facilities.

Regional Training Centres

There was much discussion in the meetings of the possibility for regional training centres. This discussion is reported in the Technical Assistance Group document. What is not reported in that document, however, is the emphasis which many Asian countries placed on national training centres. Pakistan, for example, was afraid that if too much money and time were spent on regional training centres, assistance for national training centres might be affected. The Canadian willingness to consider requests for equipment for training institutions has already borne some fruit, e.g., the Singapore Polytechnic project and the Burmese Technical High School project. It was recognized, however, that the Ford Foundation was primarily concerned with technical assistance to training institutions and that the United Kingdom amongst the Colombo Plan countries was concentrating particularly on this field, for which it was specially suited. Therefore, it may be that a form of specialization is developing both between the Colombo Plan and other donor agencies and within the Colombo Plan itself, as a result of which Canada may not be asked to assist very much in this field.

Experts

In the last paragraph of our brief, we make a plea for better preparation of requests for the services of experts. All the Asian countries seemed to appreciate this point which was made by every donor country, but several countries emphasized that they simply did not have the funds or facilities to make what were elsewhere considered satisfactory accommodation, transportation or counterpart assistance arrangements. Nepal, for example, drew attention to the waiver which it had been granted by the United Nations which absolved it from any responsibility for local allowances for experts. The Australians have decided to meet some of these difficulties by sending prefabricated housing with their experts to Indochina. Indonesia likewise drew attention to the great difficulties it was facing in providing adequately for foreign experts. The general consensus of opinion amongst the receiving countries was that the donor countries under the Colombo Plan should consider providing additional equipment or assist in other ways in meeting the expenses arising from the use of an expert's services. The ICA and the UN programmes, for example, are beginning to find it necessary to provide the expert with more and more assistance directly from his home government and to rely less and less on the receiving countries for these services than was the original intention. This receiving country view was greeted with reservation by the Canadian Delegation.

The receiving countries also asked that donor countries pay particular attention to the personal as well as to the professional qualifications of experts sent to this area since adaptability and reasonable willingness to co-operate were as important as outstanding professional qualifications.

In general, it was also concluded that any time spent by either the receiving or the donor governments in making better preparation either for a trainee's or for an expert's programme would be time well spent. However, most of the receiving countries complained at the slowness with which applications were being considered and, while admitting that much of the fault lay on their side, hoped that increasingly effective administrative procedures would be developed by the donor countries also.

When asked by other delegations during the meetings, we said that we did not think the Canadian authorities wanted formal replies to the memorandum which we circulated. The specific issues raised during the meetings were to be discussed more fully at the next session of the Council for Technical Co-operation in Colombo.

J.G. HADWEN
Secretary

SECTION C

CEYLAN
CEYLON

250.

PCO

*Note du secrétaire d'État aux Affaires extérieures
pour le Cabinet**Memorandum from Secretary of State for External Affairs
to Cabinet*

CABINET DOCUMENT NO. 130-55

Ottawa, June 7, 1955

SECRET

1955-56 COLOMBO PLAN AID PROGRAMME FOR CEYLON

Consideration has been given, on an interdepartmental basis, to the projects in Ceylon which might be financed from funds available in 1955-56. After discussions with representatives of the Ceylon Government, during the course of which projects totalling several million dollars were examined, Canadian officials consider the following projects to be suitable for Canadian assistance under the 1955-56 programme for Ceylon. As in previous years, the total cost of this programme is approximately \$2 million. The programme as outlined below is made up of an estimated \$1,235,000 in capital equipment and \$780,000 in flour, the counterpart fund equivalent of which is to be used for financing local costs of various projects. (In 1954-55, approximately \$850,000 in flour was supplied for counterpart fund purposes.)²⁸

The following are the details of the programme which Canadian officials recommend:

(1) *School of Practical Technology*

As part of the 1953-54 programme for Ceylon, \$500,000 was approved for use at this project. This was based on estimates that the total costs of the school would amount to approximately \$300,000 and that about \$200,000 in capital equipment would be required. Assistance for the rupee costs has already been made available through the shipment of \$300,000 worth of flour, which has been sold to provide a counterpart fund equivalent to be used for meeting these costs. Since the equipment for the school would not be required until 1955-56, it was agreed last year that the \$200,000 originally set aside for equipment might be diverted in last year's programme to assist Ceylon in its road building programme. It was understood at that time that the cost of equipment for the School of Practical Technology would be included as part of any regular programme of aid to Ceylon in 1955-56, subject to the appropriation of funds in that fiscal year. The Ceylon Government has requested that this item, therefore, should be included in the new programme and that \$200,000 should be made available this year to purchase capital equipment. As a result of certain changes in specifications arising out of the recommendations of a Canadian technical expert sent to Ceylon, there has been a revision of the local costs of the school and it is now estimated that an additional \$200,000 will be required to meet construction costs. These additional rupee costs could be met by providing \$200,000 worth of flour from

²⁸ Voir/See Volume 20, Document 410.

1955-56 funds so that the counterpart equivalent of this flour may be applied to the financing of these additional construction costs.

(2) *Fisheries Project*

As part of previous aid programmes, Canada has agreed to make available a total of \$1,407,000 for a pilot fisheries project, including the provision of experimental fishing craft and other related fisheries equipment, an ice-making and fish cold storage plant and a fish reduction plant. In addition, Canada agreed to provide out of 1954-55 funds \$600,000 worth of flour, the counterpart fund equivalent of which was used to meet local costs at the Mutual Fisheries Harbour, which is an integral part of the fisheries project. In view of the high priority which this project has for the development of the Ceylon economy and because of the direct interest which Canada has in this project, the Ceylon Government has requested that additional aid for local costs at the Harbour should be made available through the provision of flour from 1955-56 funds.

Ceylon has also requested that additional trawler equipment should be provided in 1955-56 for the fisheries project. The provision of this equipment would appear to be in keeping with Canada's original interest in this project.

As part of the fisheries project, the Ceylon Government proposes to set up a system for the collection and distribution of the fish, which will be closely related to the use of the cold storage plant. The Ceylon Government has requested insulated trucks for use in this connection. In discussions with the Ceylon officials, it has been emphasized that the effective use of these trucks would depend on the establishment of a practical and well integrated scheme for the collection and distribution of fish in Ceylon and that, therefore, the Ceylon Government will be asked to give an undertaking that satisfactory arrangements for the use of these trucks will be carefully worked out in consultation with the Canadian technical experts who are now in Ceylon.

As part of their efforts to improve the Co-operative movement in Ceylon in connection with the development of fisheries, the Ceylon Government maintains a Fisheries Co-operative School at Polgalla. Students from other countries in South and South-East Asia are being, and will continue to be, accepted at this school. A Canadian technical expert is now in Ceylon helping the latter Government organize the training programme at this school. The Ceylon Government has requested assistance in connection with the rupee costs involved in the modernization and extension of facilities at the school.

(3) *Aerial Survey*

Following a request from Ceylon that Canada should undertake an aerial survey as part of the 1955-56 programme, a Canadian expert was sent to Ceylon to report on the need and usefulness of such a project. This report has now been examined by the Canadian authorities and it is considered that an aerial survey would make a very useful contribution to the further economic development of Ceylon.

(4) *Port Equipment*

As part of the 1954-55 programme, Canada provided equipment for the newly constructed Colombo Harbour in the form of six-ton portal cranes. The Ceylon Government has requested that additional cranes, which are vitally required, might be supplied as part of the new programme.

(5) *Diesel Locomotives for the Ceylon Railways*

In an effort to help the Ceylon Government replace their supply of rolling stock, which is in many cases worn out or obsolete, Canada has provided as part of previous aid

programmes to Ceylon five diesel locomotives. These locomotives have proven themselves to be efficient and economical and well suited to the terrain of Ceylon. The Ceylon Government has requested that additional diesel locomotives might be supplied as part of the 1955-56 programme.

(6) *Pest Control Units*

As part of the 1953-54 programme, Canada supplied a series of pest control units made up of trucks and spraying equipment.²⁹ More units were requested at that time than were actually provided by Canada. This project has proven successful in its operation and has made an important contribution to agriculture in Ceylon. The Ceylon Government has requested that additional units should be provided as part of the 1955-56 programme.

Recommendations

On the basis of the programme outlined above, Canadian officials recommend that assistance be provided for the following projects, in the amounts estimated below:

(1) *School of Practical Technology*

(a) Equipment for use at the school at an estimated total cost of \$200,000.

(b) Canadian assistance in the form of flour, to be made available in the amount necessary to provide approximately \$200,000, to be used for additional local expenditures at the school.

(2) *Fisheries Project*

(a) Canadian assistance in the form of flour, to be made available in the amount necessary to provide approximately \$400,000, to be used for additional local expenditures at the fisheries harbour.

(b) Trawler equipment up to an amount of \$30,000 to be provided for the fisheries project.

(c) The supply of insulated trucks up to a total cost of \$50,000, on condition that satisfactory arrangements for collection and distribution of the fish to be handled by these trucks will be worked out by the Ceylon authorities.

(d) Canadian assistance in the form of flour, to be made available in the amount necessary to provide approximately \$180,000, to be used for local expenditures at the Fisheries Co-operative School at Polgalla.

(3) *Aerial Survey*

Canada should undertake to finance an aerial survey in accordance with the recommendation of the report of the Canadian technical expert who investigated this project. The total cost of this survey is estimated at \$500,000, and it is recommended that \$200,000 should be set aside for this purpose in 1955-56. Authority is to be granted to enter into a contract for the total estimated cost of the project, on the understanding that the balance of the cost in excess of \$200,000 will be included in next year's regular programme of Canadian aid to Ceylon, subject to the necessary funds being voted by the Canadian Parliament. It is to be understood also that the balance of these costs will be included with a high priority in any list of projects which the Ceylon Government may propose next year.

(4) *Port Equipment*

Port equipment in the form of cranes to be provided to Ceylon at an estimated cost of \$180,000.

²⁹ Voir/See Volume 19, Document 615.

(5) Diesel Locomotives

Three additional diesel locomotives, together with necessary spares, to be provided at an estimated cost of \$555,000, on the understanding that the Government of Ceylon is prepared to pay the rupee equivalent of these engines and sleepers into a special account, against which expenditures would be incurred for development projects to be agreed upon between the two Governments at a later stage.

(6) Pest Control Units

Two pest control units, similar to those sent to Ceylon as part of the 1953-54 programme, to be provided at an estimated cost of \$6,000.³⁰

L.B. PEARSON

SECTION D

INDE
INDIA

SUBDIVISION I/SUB-SECTION I

AIDE
AID

251.

PCO

*Note du secrétaire d'État aux Affaires extérieures
pour le Cabinet*

*Memorandum from Secretary of State for External Affairs
to Cabinet*

CABINET DOCUMENT NO. 138-55

Ottawa, June 15, 1955

CONFIDENTIAL

COLOMBO PLAN AID TO INDIA FOR LOCUST CONTROL

The Government of India maintains an active programme to combat the menace to their agriculture which locusts represent. In addition to locust control operations in their own country, the Indian Government last year sent an anti-locust team to the Arabian Peninsula, which constitutes a source of locust incursions into India.

The Food and Agriculture Organization considers that the locust control programme in the Arabian Peninsula is extremely important and they have invited countries bordering that region to participate in an international anti-locust campaign, and it is anticipated that future locust control operations in the Arabian Peninsula will be co-ordinated by FAO. India has indicated its willingness to participate in this programme. Because of their limited stock of equipment required for locust control, the Indian Government has requested that Canada should supply vehicles and wireless sets up to the amount of \$120,000. The equipment which has been requested would be used partly in India to replace equipment

³⁰ Ces six recommandations ont été approuvées par le Cabinet le 8 juin 1955.
These six recommendations were approved by Cabinet on June 8, 1955.

which has already been sent to the Arabian Peninsula and partly to supplement the equipment which has already been used in operations in the latter area.

The cost of this project could be financed without involving the allocation of any new funds since an unspent balance of approximately \$146,000 remains from the allocation made to India in 1951-52 for the purchase of trucks and equipment for the Bombay State Transport Corporation.

Recommendation

Canadian officials recommend that trucks and vehicles of specifications to be agreed upon with the Indian authorities should be provided under the Colombo Plan at an estimated cost of \$120,000, and that the cost of this project should be financed from the unspent balance of 1951-52 funds earmarked for the Bombay State Transport Project.³¹

L.B. PEARSON

252.

DEA/110381-40

Procès-verbal de la réunion du groupe Colombo
Minutes of Colombo Group Meeting

CONFIDENTIAL

[Ottawa], July 6, [1955]

Those Present:

Mr. R.M. Macdonnell,
(Chairman) Deputy Under-Secretary of State for External Affairs
Mr. Nik Cavell,
Colombo Plan Administrator, Trade and Commerce
Mr. A.F.W. Plumtre,
Finance
Mr. J. English,
Trade and Commerce

Also Present:

Messrs. Pollock and Sainsbury,
Department of Finance
Messrs. Pratt and Manion,
Trade and Commerce
Mr. Sakellaropoulos,
Bank of Canada
Messrs. Menzies, Bridle, Blouin, Hadwen and Stoner,
Department of External Affairs.

Mr. Escott Reid, the Canadian High Commissioner to India who is in Canada on home leave, attended this meeting to discuss the Colombo Plan programme in India.

At the Chairman's suggestion, *Mr. Reid* gave his impressions of the results which Canada's Colombo Plan contribution was producing in India. *Mr. Reid* then went on to underline India's need for external assistance during the second Five Year Plan, which will begin in 1956. He explained that it was difficult for anyone to forecast the exact amount of capital which India would require from external sources, but it was estimated that at least \$1 billion, and perhaps \$2 billion, might be required. *Mr. Reid* mentioned that the Indian Minister of Finance, *Mr. Deshmukh*, had frequently told him that he required some assurance

³¹ Approuvé par le Cabinet le 22 juin 1955./Approved by Cabinet on June 22, 1955.

about the total amount of external capital that would be in prospect if he was to be able to plan effectively and boldly the new development programme.

Following the general comments of *Mr. Reid*, the Group then turned to a discussion of the projects which had been proposed by India for inclusion in the 1955-56 programme of aid. Before turning to an examination of the projects which had been submitted during *Mr. Cavell's* tour in South-East Asia earlier this year, the Group was informed of the status of the negotiations concerning the possible provision of an atomic reactor to India under the Colombo Plan.³² The original offer which had been made to *Mr. Nehru* last April by *Mr. Reid* had not made it clear whether the NRX reactor which Canada was offering would be financed from existing Colombo Plan funds. No definite reply had as yet been received from the Indian Government, although senior Indian scientists had been in touch with their Canadian counterparts in connection with technical details of the reactor. It was presumed that their hesitancy was not due to a lack of interest in the reactor or a lack of appreciation of Canada's gesture, but reflected rather their concern at the possible loss of aid from Canada for other important development projects which might have to be sacrificed if they accepted the reactor from Canada. After further consultation between Ministers, the Minister for External Affairs was recommending that a substantial part of the cost of the reactor should be made from funds supplementary to the present total of Canada's Colombo Plan contribution and that *Mr. Nehru* might be informed of this in a message directly from *Mr. St. Laurent*. It was understood that the proposal would be examined in the immediate future by Cabinet. In the meantime, negotiations concerning this reactor were being treated with the *utmost security* and, for the present, no other country, with the exception of India, was being informed of these negotiations. Since it was agreed if a reactor was to be supplied that it would be financed from funds additional to the present allocation of aid to India, it was now possible to proceed with an examination of the distribution of existing funds to other conventional projects in India.

The Group first examined the project for the construction of a fertilizer plant, which had been raised with *Mr. Reid* at the end of last year. It had been tentatively suggested that Canada might wish to assist in the construction of a fertilizer plant near the new lignite development at Neyvelli, in the Madras area of India. While the Group agreed with *Mr. Cavell* that there were some technical objections to this site, it was appreciated that India was planning to build at least three other fertilizer plant as part of their second Five Year Plan. If Canada was to assist in the construction of a fertilizer plant, the Group agreed on the desirability of having power already available at whatever site was selected.

The *Colombo Plan Administrator* reported that the equipment for a fertilizer plant was available in Canada and there would be a large percentage of Canadian content. Although he and his staff had been in touch with Canadian Vickers, it was difficult to obtain exact comparisons between Canadian and world prices. The United States FOA are presumably building a fertilizer plant in Formosa and UNKRA has undertaken one in Korea, which should afford some comparison between Canadian and U.S. prices. It appeared likely, however, that a plant of at least a capacity of 60,000 tons a year could be built for under \$25 million. The Group noted that the Indian fertilizer plant at Sindri was now producing about 1,000 tons a day, but the supply from this source was falling far short of India's needs.

Mr. Reid suggested that because of the shortage of technicians and administrators, Canada might wish to give consideration to the construction of a fertilizer plant on a "package

³² Voir la partie suivante./See following section.

deal" basis; in other words, Canada would assume responsibility for supplying all equipment and supervisory services and, in addition, counterpart funds could be utilized to meet local costs, such as labour, etc. When the Group suggested that this was perhaps not in keeping with the original understanding that each Colombo Plan project was to be a co-operative enterprise in which the Asian Government assumes responsibility for local costs and Canada responsibility for external costs, Mr. Reid suggested that the co-operative aspect principle was still being maintained if the construction of fertilizer plants in India could be regarded as a single project. In other words, if Canada took over responsibility for building one plant, Indian personnel and finance would be freed to build additional ones; in this case, perhaps three others. While the Group appreciated that the "package deal" concept might be attractive for some types of projects, it could not be accepted as a general principle.

It was suggested that the fertilizer plant project should be examined in the light of the other projects which had been submitted to Canada for consideration with this year's programme. Because of Canada's ability to supply hydro-electric equipment at reasonably competitive prices, the Indians had proposed three hydro-electric projects (two of which are to be included in the second Five Year Plan), from which they suggested Canada might select one. The external costs of these projects ranged from \$18 million to \$25 million. It was clear that the selection of one of these hydro-electric projects or the selection of a fertilizer plant would entail a commitment in principle of most of the funds which may be available over at least the next two years. *Mr. Plumptre* suggested that any decision which Canada might make concerning these projects was related to the extension of the Plan beyond the first planning phase, which comes to an end on June 30, 1957. He reported that his Minister was prepared to consider that Canada should support an extension of the Plan, probably for a period roughly equalling the life of the second Indian Five Year Plan. Provision of aid by Canada would, of course, continue to be subject to an annual vote of funds by the Canadian Parliament. The Group regretted that there was not available in the Indian "shopping list" projects where the external costs might be in the order of \$5 million or less so that the Canadian aid programme might be somewhat more dispersed and diversified. It was apparent, however, that with the exception of an Indian request for two Beaver aircraft and for limited assistance for fisheries, all of the other capital projects proposed by India would probably involve committing most of the funds that might be available between now and 1957. Depending on the decision of the Canadian Government with regard to the extension of the Plan beyond 1957, it might be possible to distribute these costs over even a greater period than two years.

The Group agreed that apart from a limited amount of technical assistance, there was little likelihood of Canada providing capital assistance for Indian fisheries. The Group considered that the provision of two Beaver aircraft for pest control purposes would be a good project, particularly since it involved a limited degree of continuing commercial interest for Canada. It was the Group's view that approval of Cabinet for this project should be sought.

With respect to the selection of the major project for 1955-56, the Group recommended that Mr. Cavell should secure detailed information about the cost and Canadian content involved in the construction of a fertilizer plant; at the same time estimates would be secured in connection with the hydro-electric equipment required for the three separate projects proposed by India. It was agreed that after an examination of these costs (and provided Canadian costs for a fertilizer plant were not excessively out of line with world prices), the Indians would be informed of Canada's position with regard to the relative costs of equipment for all of these projects and the probable delivery dates. On the basis of

this information, it might be desirable for the Indian Government itself to make recommendation as to which project they would prefer Canada to assist.

There was a brief discussion of Mr. Reid's proposal that Canada might consider the extension of a line of credit to India. It was pointed out that Mr. Deshmukh desired a cushion of foreign exchange which would enable him to carry out his planning, with a knowledge that he would have something set aside in the event of a bad crop year or other economic pressures. In this respect, however, Canada's previous record of providing wheat gifts (in the case of Pakistan, outside the Colombo Plan) should give Mr. Deshmukh some assurance that a special appeal in the event of some form of economic disaster would be sympathetically considered by Canada. The International Monetary Fund was also available as a form of assistance in the event of pressures on foreign exchange. Mr. Plumptre underlined that Canada felt that loans should be largely undertaken by the existing international organizations, i.e., The International Bank, and the International Finance Corporation which should come into operation fairly soon and to which Canada has already pledged its support.

253.

PCO

Note pour le Cabinet
Memorandum to Cabinet

CABINET DOCUMENT NO. 212-55

[Ottawa, n.d.]

SECRET

COLOMBO PLAN PROGRAMME FOR INDIA

As a result of negotiations which have been under way for several months with the Indian Government, it now seems desirable that the Canadian Government should provide assistance from Colombo Plan funds to finance the external costs of the projects described below. It should be explained at the outset that the Indian Government are expected to request that the bulk of their current allocation of Colombo Plan funds (for 1955-56) should be devoted to a large hydro-electric project at Kuhnda which is now being actively investigated by Canadian engineers. Subject to the results of this investigation it is anticipated that Canadian participation in the latter project will be recommended in the near future to Cabinet. Hence, the list that follows involves the allocation or reallocation of certain funds from past years and a relatively small amount of funds from the 1955-56 allocation.

Provisions of Small Diesel Generating Sets to Assist in the Development of Rural Electrification in India

Throughout a number of towns and small villages in India a shortage of power is impeding the maintenance of employment and the development of industry, particularly small scale industry. To remedy this the Indian Planning Commission has approved a plan whereby more power will be made available through the installation of small diesel generating stations. These diesel stations would operate in widely dispersed localities and it is anticipated that the following States — Assam, Vindhya Pradesh, Coorg, Orissa, Uttar Pradesh, Andhra, Bihar, Madras, Bombay, Saurashtra, Hyderabad, Rajasthan and West Bengal would benefit from these arrangements.

The Indian Government have asked whether Canada would undertake to supply diesel generating sets for part of this programme. The generating sets (approximately 190 sets) requested from Canada by India range from 25 kilowatts to 250 kilowatts. Specifications of the proposed sets have been investigated by Canadian technical officials and it is apparent that suitable equipment could be supplied by Canadian manufacturers.

It is estimated that prices in Canada for equipment of this type are roughly competitive with prices in the United Kingdom which has been the traditional supplier for such equipment to India. The diesel generating sets required for the part of the programme which Canada has been asked to finance would cost approximately \$3 million.

If it is approved by Cabinet, this project could be financed partially by utilizing the \$500,000 remaining in the unexpended balance of the funds approved in 1952-53 for the Mayurakshi project. The remaining \$2.5 million could be financed from the uncommitted balance of India's regular allotment of aid for 1954-55. (The only commitment which has been made against the 1954-55 allotment is the allocation of \$10.5 million for the steam locomotive project. It is assumed that approximately \$13 million of the total 1954-55 Colombo Plan vote should be available for Indian projects.)

Aero-magnetic Survey of Western Rajasthan

As part of its resources development programme the Indian Government considers that an aero-magnetic and a geophysical survey should be carried out in Western Rajasthan which is considered a prospective oil-bearing area. The Indian Government propose to use its own survey services to carry out the photographic portion of the aerial survey of the area and subsequently a geophysical survey. However, the Indian survey services are not equipped to carry out one aspect of the aerial survey which involves the employment of magnetometer equipment. The latter type of equipment is very costly and is available to a limited number of survey companies (including two Canadian companies) none of which operate in India.

On the basis of preliminary estimates, the cost of an aero-magnetic survey of the area in question would be approximately \$125,000. This project would make an important contribution to the development of resources in India. Canadian participation seems desirable not only because of the intrinsic worth of the project but because at least two Canadian companies are well-placed from the point of view of experience and equipment to carry out such a survey effectively and economically. If Cabinet agrees that Canada should finance this aero-magnetic survey at an estimated cost of \$125,000, this allocation can be made from funds which would normally be available to India for 1955-56.

Provision of Two Beaver Aircraft for Pest Control

The Indian Government has asked Canada to supply two Beaver aircraft for use in their pest control programme. It is expected that these aircraft would assist in the control of malaria, in the destruction of locusts and in other important pest control programmes which are intimately related to the development of India agriculture.

Beaver aircraft have been supplied in the past, under the Colombo Plan, to Pakistan for similar purposes with good effect. It is estimated that two Beaver aircraft could be supplied at an approximate cost of \$160,000 and that this project, if approved, could be financed through an allocation from the regular 1955-56 funds available to India.

Recommendations

It is recommended that:

(a) The Canadian Government should provide diesel generating sets to India to assist in the rural electrification programme. The cost of this project, estimated at \$3 million, is to be financed through the utilization of \$500,000 which remains unexpended from the funds set aside in 1952-53 for the Mayurakshi project and by the allocation of \$2.5 million from uncommitted funds available to India as part of its regular allocation of aid in 1954-55.

(b) The Canadian Government should agree to carry out an aero-magnetic survey of West Rajasthan at an estimated cost of \$125,000. The cost of this project is to be financed from funds which are available to India as part of its regular allocation of aid in 1955-56.

(c) The Canadian Government should agree to supply two Beaver aircraft to India for pest control at an estimated cost of \$160,000. The cost of this project is to be financed from Colombo Plan funds available to India as part of its regular allocation for aid in 1955-56.³³

SUBDIVISION II/SUB-SECTION II

RÉACTEUR DE RECHERCHE NRX
NRX RESEARCH REACTOR

254.

DEA/11038-1-40

*Note du sous-secrétaire d'État aux Affaires extérieures
pour le secrétaire d'État aux Affaires extérieures*

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

SECRET

[Ottawa], March 21, 1955

ATOMIC ENERGY AND THE COLOMBO PLAN

Officials of this Department have recently had informal discussions on this subject with Mr. Bennett, the head of our Atomic Energy body which are summarized in the attached letter of March 21 from Bennett to Ritchie. From these talks, it seems evident that some activity in this field (including possibly the establishment of a reactor in India) would now be practicable and would have a good deal of attraction for both our atomic energy authorities and for competent Canadian firms which might undertake the work. Not only would such a project appear imaginative and dramatic to the people of Asia — and of Canada — but the point would seem to have been reached at which it could be of very great practical value to both the Asians and ourselves.

2. Despite the very preliminary character of the conversations which have taken place so far, I think it desirable to bring this matter to your attention at this stage in case you might wish to have a word about prospects with Mr. Howe before he leaves for Australia on April 8 and in case you might think it desirable to have Mr. Reid explore the possibilities with the Indian authorities before he leaves New Delhi early in April.

3. From a general political of view, we in this Department have, of course, been impressed for some time with the desirability of making arrangements which would enable the West to cooperate with friendly Asian countries in developing atomic energy for peaceful purposes. Such action might be particularly helpful in countering the impression which

³³ Approuvé par le Cabinet le 19 octobre 1955/Approved by Cabinet on October 19, 1955.

is apparently widespread in Asia that the West's only interest in this field is to develop what are regarded as fiendish devices of destruction. The need to counteract this view of our motives has not diminished with the circulation of rumours that the Soviet Union is helping China in the development of atomic energy for constructive uses or by the current fears of many Asians that the first post-war use of atomic weapons by the West might be against Asian populations.

4. The eventual practical importance of atomic energy for the economic development of the Asian countries which are generally so deficient in other energy resources has also frequently been emphasized. In competition with other sources, atomic energy may well be economic in such power-starved countries before it becomes a commercial proposition here. If the people of those countries are to prepare themselves to take advantage of the possibilities of this form of energy in the reasonably near future, it is important that the groundwork should be laid soon, and in the case of those countries which have already commenced on a modest scale (such as India) the process should be accelerated.

5. There seems little likelihood that an effective international agency concerned with peaceful applications of atomic energy will come into being for some time. Meanwhile, it would appear that it is being left to each Western country to determine what it might best do, within the limits of current security considerations, and possibly with a view to the need to fit any such arrangements in with the operations of whatever international agency is eventually established. As you doubtless know, the United States authorities are already making arrangements to receive a considerable number of trainees from various underdeveloped countries at their reactor schools. Similarly, the United Kingdom is apparently providing certain training facilities at Harwell. There have also been indications that the U.S. and U.K. might be contemplating the establishment of one or several reactors in the Asian region. Attempts are apparently also being made to interest the International Bank, possibly in association with some U.S. or U.K. group.

6. In the view of our atomic energy people, it would be most undesirable, especially from the longer-term commercial point of view, for us to lag behind. In addition to the general political considerations mentioned previously, there would seem to be very substantial reasons why Canada might be particularly well placed to take some initiative. The most important of these is probably the fact that some of the Asian countries, particularly India, might find it less difficult and less embarrassing to receive direct assistance from us in this rather delicate field than from either of the larger atomic powers whose motives might be questioned by groups in India as well as by other Asian countries.

7. In view of the nature of our operations at Chalk River, it is not possible for us to help them by introducing a significant number of Asians for training there. In any event, it is doubted that such training (which inevitably would be somewhat diluted) on reactors in Western countries could be nearly as effective as the actual management of a reactor in building up the body of knowledge and of experienced personnel which will be required if the Asian countries are to make substantial progress in this field over the next decade or so. In this connection, it is interesting that the Australians, who have more ready access to training facilities abroad than the Asians are likely to have for some time to come, have decided to acquire a research reactor of their own rather than to depend entirely on the training available to them overseas.

8. The security obstacles to the provision of a reactor to a country such as India would apparently not be serious. If the reactor were to be of the NRX type now operating at Chalk River, there would apparently be no significant security problem. About the only aspect of our NRX project which continues to be classified is the performance data. There

might also be some problems to be resolved regarding control over the plutonium produced by any reactor which we might supply, but this presumably could be surmounted, especially if we assume that one way or another a country like India will acquire a reactor from some source (friendly or otherwise) and will be producing this material.

9. In addition to the decline in importance of security considerations, the main factor which has more or less suddenly made such an atomic project under the Colombo Plan seem promising is the active interest — almost enthusiasm — being shown by our atomic energy people and by a considerable number of Canadian firms. As implied above, it is evident that before very long the development of atomic energy and related products is going to become — if it has not already — very keenly competitive. Our technical people and our firms are anxious to gain some experience in order that they may be able to meet such competition in Canada and probably also in foreign countries. When, recently, several Canadian firms were approached concerning the building of a power reactor in Canada, the response was remarkable. Canadian General Electric, Westinghouse, Canadair, A.V. Roe, John Inglis, Dominion Bridge, and some others indicated that they were very nearly prepared to take on that contract at a loss in order to get themselves established in this field. While one or two of these firms will, no doubt, become involved in our own power project and will therefore be too pre-occupied to take on a job elsewhere, the remaining five or six firms would almost certainly be interested in any atomic project which we might sponsor in Asia. For the purpose of strengthening their competitive position for subsequent commercial activities, certain of these firms might feel that such a project abroad would be even more attractive than the one in Canada, since much of the future market may lie in the more difficult overseas countries rather than in Canada where alternative sources of power are available.

10. The conversations with our atomic energy people have not, of course, covered all the details since it seemed unwise to carry this matter very far before Ministers had had an opportunity to consider whether or not it was a starter. In general, however, it might be said that we have been thinking tentatively in somewhat the following terms:

(a) Canada might supply a reactor to India under the Colombo Plan. (India would seem to be the logical location for such an installation since the basic level of scientific knowledge is rather higher there than in most of the Asian countries and at least the nucleus of an atomic energy establishment now exists there.);

(b) the arrangements with the Indian authorities would be such as to avoid any fears or suspicions on the part of neighbouring Asian countries and, if possible, an understanding might be reached that trainees from nearby Asian countries would be brought into the project in order that they, too, might acquire at least some experience in the operation of a pile under local conditions;

(c) the reactor to be supplied might be of the NRX research type rather than a power reactor — although we gather from our atomic energy people that it might conceivably be possible to proceed with a power reactor in India at the same time as we are constructing our own reactor for power purposes;

(The preference for a research reactor is based primarily on the simple principle of learning to walk before attempting to run. An additional factor, which Ministers can best judge, is the possible reaction in Nova Scotia to the provision of a power reactor to India on generous terms when one was being refused to Nova Scotia. This latter factor might not be regarded as determining since, in fact, we have been providing hydro-electric generating plants to Asian countries under the Colombo Plan while refusing Federal assistance to similar power developments in certain Canadian provinces.)

(d) the atomic energy authorities here would be responsible for supplying the necessary drawings and technical assistance to the Canadian construction firm concerned and providing a certain amount of training for Asian personnel who would be responsible for operating the reactor in India;

(e) the Canadian construction firm would be expected to build the structures and instal the equipment at the site in India, presumably under supervision of experts from our Atomic Energy Board and from the Indian research establishment;

(f) on the basis of experience at Chalk River, it would appear that such a research reactor could probably be set up for about \$15 million;

(Although prices have gone up considerably since our reactor was constructed, it is believed that such increases in costs as this might involve would be more than offset by the economies which could be made as a result of the fact that we could draw on our previous experience and would not have to proceed by the trial and error methods which had to be relied upon then. If we were to take responsibility for the townsite as well as for the reactor, the total costs would, of course, be higher — possibly by as much as \$10 million — but, since the provision of such accommodation might be regarded as an Indian Government responsibility, in accordance with our normal Colombo Plan practice, it is probably not necessary to contemplate the use of Canadian funds for this purpose.)

(g) although the uranium metal required for the operation of a reactor of this kind is not at present available in Canada, it is considered that we might be producing it by the time the reactor would be completed or that no serious difficulty would be encountered in procuring it from other sources at that time;

(h) simultaneously with such activity in India, it might be possible for us to undertake certain more limited atomic energy projects, primarily of a medical character, in other Asian Colombo Plan countries.

(For example, we might find it practicable to meet a request which we have had from Burma for a beam therapy unit and might be able to provide training in the handling of isotopes to other Asian personnel if such knowledge could be used to advantage.)

11. If we were to contemplate going ahead with such activities, consideration would, of course, have to be given to the question of whether additional money could be added to the Colombo Plan Vote for this purpose next year (or in the Supplementaries later this year), or whether work in this field could be undertaken only at the expense of some of the more conventional Colombo Plan projects which have been submitted to us. In this connection, you will doubtless realize that the more ordinary types of projects which are being put forward by the Asian countries are mounting in number and in size. It would seem quite evident already that there will be more than enough of such projects to absorb the same amount of money next year as has been included in our Estimates for the current year. Since many of these projects would yield pretty substantial returns for the Asian countries concerned within a fairly short period, it would seem a pity to sacrifice them in order to start some work in the atomic energy field which inevitably would take a longer time to show tangible results. At the same time, it would seem regrettable to miss an opportunity to make a start in the field which is so important politically now and which can have such great importance for the future. It might be best to leave this difficult question unresolved for the time being and to touch upon it only indirectly in any consultations with the Indian authorities.

12. If you agree that the possibilities of an atomic energy project under the Colombo Plan should be investigated further, as a matter of some urgency, perhaps you would wish to

have a word with Mr. Howe before he goes off to Australia. We have mentioned our interest at the official level in this subject to some of his officials (e.g., Mr. Bull and Mr. Sharp), but we understand that they will not pursue the matter with their Minister unless and until you raise the question with him. Since we understand that Mr. Bennett has not discussed the subject with Mr. Howe either, you might wish merely to indicate that, since you had gathered that there was probably an increasing interest from a technical and commercial point of view in the construction of a reactor in India under the Colombo Plan, you wished to let him know how beneficial you thought such a project would be in terms of our general relations with Asia. You might even wish to urge him to have a word concerning the possibilities with Mr. Bennett before he leaves for Australia in order that the matter might be looked into during his absence. You might add that, if he would be agreeable to having the question explored, you would propose to have Mr. Reid raise it informally in the course of his conversations with senior Indians when he is taking his leave of them before returning home.

(You will know best whether it would be desirable to mention this subject as well to any other Ministers, for example, Mr. Harris. We have not gone into it in any detail with officials of such other departments, although I should say that we have referred to our interest in the possibilities in the course of conversations with Mr. Deutsch, Mr. Plumpre and Mr. Rasminsky and have found them all personally responsive to our very tentative and general suggestions.)

13. If, following on any conversation which you might have with Mr. Howe, you felt that Mr. Reid should sound out senior Indians (including possibly Mr. Nehru and Mr. Deshmukh), we might instruct him on the following lines (recognizing that, as indicated in the attached letter from Bennett, the possibility of such a project outside the Colombo Plan may by then have been raised in correspondence between Dr. Lewis and Dr. Bhabha):

(a) in the course of his leave-taking calls, he might intimate confidentially to the Prime Minister and to other senior Ministers and officials concerned that on his return to Canada he proposes to explore with the Canadian authorities the possibilities of an atomic energy project;

(b) he might express the view that at this stage any such assistance could probably most practicably and usefully take the form of a research reactor. (In this connection, he might refer to the public reports that Australia has apparently concluded that such a reactor would be the best way of promoting its development of atomic energy.);

(c) he might enquire how interested the Indian authorities would be in this type of assistance and in particular whether, if that should prove necessary, they would give a higher priority to such a reactor than they would to some of the projects which they have already submitted to us. (Mr. Reid might express the opinion that a reactor of the kind he had in mind would cost about \$15 or \$20 million, in order to give the Indians some measure of the effect which acceptance of this project might have on other aid expected from Canada.);

(d) he might conclude by asking whether, if such a reactor were to be provided, the Indians would be willing to share its use in some manner with trainees from other Asian countries in order to spread knowledge in this field as widely as possible with a view to facilitating the constructive application of atomic energy to the problems of economic development in Asia in the shortest possible time.

14. If Mr. Reid's soundings are carried out, and if they show a fairly receptive attitude on the part of the Indians, it would then presumably be desirable (and we gather from Mr.

Bennett that it would be practicable) to have a qualified senior official from our Atomic Energy Board visit India for more intensive exploratory discussions.³⁴

J. L[ÉGER]

[PIÈCE JOINTE/ENCLOSURE]

*Le président d'Énergie atomique du Canada Ltée.
au chef de la Direction économique*

*President, Atomic Energy of Canada Ltd.,
to Head, Economic Division*

CONFIDENTIAL

Ottawa, March 21, 1955

Dear Mr. Ritchie

Further to our recent conversation I have now explored with our people at Chalk River the possibility of Canada undertaking the design and construction of a research reactor for India under the Colombo Plan.

I find that we have available a complete set of plans and specifications for the NRX reactor. While some modification of specifications might be warranted in the light of our experience with the operation of the NRX these would not involve a major effort in design and engineering. The changes in specifications could be carried out by a manufacturer with technical advice supplied by Chalk River.

My suggestion that a research reactor of the NRX type would be of interest to India is based on my information that Dr. Bhabha, the Chairman of the Atomic Energy Commission of India, is anxious to build up a strong scientific team as a preliminary to the development of atomic power for use in India. Our experience shows clearly that the training of scientists and engineers in the field of atomic energy can best be achieved through the operation of a research reactor. The NRX reactor was designed for this purpose and has proved to be the most useful research reactor of any now in operation. In this regard you may be interested in a statement which was made recently by Dr. Lawrence Hafstad, the former Director of the Reactor Development Division of the United States Atomic Energy Commission. In the course of an appeal to American industry to participate more actively in the development of satisfactory fuel elements for power reactors, Dr. Hafstad had this to say:

"In order to do this, one of the tools you ought to have is what we would call a fuel element testing reactor. It is pretty generally known in the business that we have an excellent research reactor in the materials testing reactor (MTR). In order to get the very high flux that reactor has, it was so designed that none of the holes available for testing samples is large enough to accommodate a full-sized fuel element. We have been depending upon the good nature of our northern neighbour, Canada, to test full-scale fuel elements in her NRX reactor. This has been going on for years."

As I pointed out in our conversation, the design of the NRX reactor has been declassified. Consequently, there should be no security problem. The NRX reactor uses heavy

³⁴ Note marginale :/Marginal note:

This is a most interesting suggestion. Politically it could do more to strengthen our relations with India than anything I could think of.

Would it not be possible to obtain a special appropriation over & above our present Colombo Plan appropriations? I think such a gesture would receive a great measure of public support. J. L[éger].

water as a moderator and natural uranium, in the form of metal, as a fuel. I understand that India is now considering the construction of a heavy water plant. If this goes forward India would be in a position to supply the heavy water requirements of the reactor from its own resources. As an alternative heavy water could probably be purchased from the United States which will shortly be in a surplus position on this item. While Canada is not producing uranium metal, the Research and Development Division of Eldorado [Nuclear Limited] is now studying the economic feasibility of metal production. The volume of uranium production in Canada is rapidly reaching the point where we believe it would be economic to produce our own metal. I should think that there is a strong possibility that we would be in production at such time as India would have a requirement.

As you are aware, we recently invited proposals from Canadian manufacturers on the design, engineering and construction of a demonstration power reactor. All of the companies involved have shown a very real interest in the project. The degree of interest may be gauged by the fact that each of the seven companies invited to bid has offered to make a substantial financial contribution to the cost of the reactor. It is evident that some of these companies are anxious to get into the game even if their proposal for the demonstration power reactor is not accepted. I think it very probable that these companies would be interested in submitting proposals on a research reactor for India. Since plans and specifications are now available it should be possible to invite firm bids on the project. Assuming that the bids were invited by the International Economics and Technical Co-operation Division, Atomic Energy of Canada Limited would be prepared to accept the role of the consulting engineer.

In our conversation you raised the question as to whether we would be prepared to train Indian operators at Chalk River. There would be no difficulty in making such an arrangement. This is a point which should be stressed in any conversations which our High Commissioner's Office may have with the Indian Government.

I should expect that at some stage Dr. Bhabha, the Chairman of the Atomic Energy Commission of India, would be brought into the picture. Dr. Lewis has suggested that he might write an informal letter to Dr. Bhabha indicating our interest in providing a research reactor. I should like to have your comment on this suggestion.

Yours sincerely,

W.J. BENNETT

255.

DEA/11038-1-13-40

*Extrait d'une note du sous-secrétaire d'État aux Affaires extérieures
pour le secrétaire d'État aux Affaires extérieures*

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

SECRET

[Ottawa], March 25, 1955

ATOMIC ENERGY AND THE COLOMBO PLAN

In the light of our conversation regarding the suggestions made in my memorandum of March 21, I had an informal meeting in my office on Friday morning attended by Mr. W.J. Bennett, the Head of Atomic Energy of Canada Limited, Mr. Bryce, the Secretary to the

Cabinet, Mr. Sharp, the Associate Deputy Minister of Trade and Commerce, and Mr. Plumptre of the Department of Finance.

2. There was general support for the suggested project, and it was agreed that it should be explored further as a matter of considerable urgency.

3. Both Mr. Bennett and Mr. Sharp had discussed our tentative suggestions with Mr. Howe and had found him very much interested and even keen on the whole idea. They felt certain that, if you were to raise the matter with Mr. Howe before his departure, you would find him responsive. Mr. Sharp did not know whether Mr. Howe would be prepared to contemplate proceeding to New Delhi after he had completed his visit to Australia around May 8 in order to complete any talks which might have been commenced before then, but he undertook to discuss the possibility with him.

4. Mr. Plumptre had not consulted Mr. Harris, but thought that he would have no objection, provided it was clear that the cost of such a project could, if necessary, be financed from Colombo Plan funds already in hand or likely to become available before June 30, 1957. If any conclusion were to be reached now which would imply an increase in the Colombo Plan Vote over the next two years or which would pre-judge the question of whether or not Canadian participation in the Colombo Plan would continue after the middle of 1957, Mr. Harris would undoubtedly wish to have the matter considered very carefully and would naturally wish to have a voice in the decision. It appeared, however, that this problem could be avoided, particularly since Mr. Bennett estimated that the total cost would be between \$5 and \$10 million, rather than around \$15 million as suggested in my earlier memorandum. You would doubtless wish to let Mr. Harris know of any significant developments in connection with this project, but it would not seem necessary to involve him deeply in any Ministerial consultations at this stage (especially as he is pre-occupied with the Budget) so long as it is agreed that this proposal is being explored without prejudice to the question of the future scale of our contributions under the Colombo Plan or of the duration of that Plan. Mr. Plumptre was going to mention the subject to his Minister and let us know if Mr. Harris wished to participate in any Ministerial discussions which might take place over the next few days.

5. Since it was realized that the Indians might conceivably be a little disappointed to be offered a research rather than a power reactor, it was suggested that some consideration might be given to associating some Indian trainees with the work of our demonstration power reactor, at the same time as we might be supplying them with a research unit, in order that they might become acquainted with developments in the power field as early as possible. Mr. Bennett was not sure whether this would be feasible, but said that the possibility could certainly be looked into. It was noted that, in fact, the Indians might be quite glad to have a research pile rather than a ready-made power reactor, since the former would enable them to carry on developments fairly independently. The acquisition of a research reactor might therefore be not only the soundest course but also the one most pleasing to their national pride.

6. The general views of the informal meeting this morning were that:

(a) you might wish now to consult Mr. Howe and discuss the matter with the Prime Minister.³⁵ (A brief memorandum is attached which might be useful for this purpose.† The fuller memorandum of March 21 is also attached in case you may wish to refer to it.)

...

[J.] LÉGER

³⁵ Note marginale :/Marginal note:
I have done this. L.B. P[earson]

256.

DEA/11038-1-13-40

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

*Secretary of State for External Affairs
to High Commissioner in India*

TELEGRAM 197

Ottawa, March 30, 1955

SECRET. IMMEDIATE.

Reference: Your telegram No. 205 of March 29.†

ATOMIC REACTOR

This matter has now been considered by Ministers, and it has been agreed that you should be instructed to:

(i) indicate to senior Indian Ministers (including, if possible, Mr. Nehru and presumably Mr. Deshmukh) that Canada would be prepared to consider providing India with a research reactor of the NRX type now in operating at Chalk River under the Colombo Plan for use in an atomic energy research centre;

(ii) explain that a research reactor would probably be the most useful type for India at this stage, particularly for the purpose of building up the body of knowledge and the corps of qualified personnel which will be required in order to take advantage later of the electric power and other potentialities of atomic energy (as evidenced by our own experience and by the course which we understand is being followed by Australia, Belgium, Denmark and Switzerland who are also acquiring research reactors);

(iii) seek their general reaction to such a suggestion (before your departure, if possible) including the condition that scientists from other Asian countries Colombo Plan should be permitted to receive training such a centre in order to spread knowledge in this as widely as possible with a view to facilitating constructive application of atomic energy to the problems of economic development in Asia in the shortest possible time;

(iv) remark that, if this offer were to be accepted, we would also hope to be able to offer certain training facilities in Canada for those who would be responsible for the maintenance and operation of the reactor;

(v) inform the Indian authorities that this project might be at the expense of other projects, some of which are already under discussion. In this connection, the Indian authorities might wish to indicate the priority which they would attach to this project in comparison with other projects which they have suggested to us. (The total cost would be between \$5 and \$10 million spread over a construction period of two or three years.);

(vi) assure the Indian authorities of the Canadian Government's desire to cooperate constructively in this new field.

2. We think it desirable that the exploration of this possible project should proceed rather quietly and confidentially at this stage and do not intend to initiate a rushed exchange of letters between the two Prime Ministers with a view to immediate publication. We do not know what, if any, arrangements the Indian authorities may already have underway for

similar assistance from some other country. The Indian authorities before definitely and publicly accepting our offer would want to satisfy themselves that, in fact, our type of reactor would be most suitable for their purposes. In this connection, the Technical Director of Atomic Energy here is writing to Dr. Bhabha explaining the features of our reactor (without, of course, mentioning the possibility that one might be supplied under the Colombo Plan). We would also consider it desirable that no publicity be given to this project until it can be presented in a light which would be satisfactory to other Asian countries (by including, for example, a reference to the admissibility of other Asian scientists for training on the reactor). It would be impossible to get advance agreement on these and other points in time to permit an exchange of letters prior to your departure.

3. We, of course, have very much in mind the desirability of effective publicity at an appropriate stage which we would hope would not be more than a few weeks away. At that time, a formal exchange might take place between the two Prime Ministers in the light of the exploratory conversations or some other arrangement might be made to ensure adequate publicity. One of the possible alternatives might conceivably be for Mr. Howe to visit New Delhi briefly after he leaves New Zealand early in May. This possible alternative should not, of course, be mentioned to the Indians.

L.B. PEARSON

257.

DEA/11038-1-13-40

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

TELEGRAM 218

New Delhi, April 1, 1955

SECRET. IMMEDIATE.

Reference: Your telegram No. 197 of March 30.

ATOMIC RESEARCH REACTOR

1. I have explored this informally with the Secretary-General this morning and am this afternoon giving him an informal letter addressed to Prime Minister Nehru so that Nehru may, if he wishes, discuss the matter with me on Sunday.

2. Pillai was delighted to learn of the offer especially since he felt it would be much easier for India to accept this kind of assistance from Canada than from either the United States or the United Kingdom.

3. He saw the reason for the condition that scientists from other Asian countries in the Colombo Plan should be permitted to receive training at the Indian centre. He would look at the list of Asian members of the Colombo Plan to see whether it might be "politically embarrassing" for India to have scientists from any of those countries. He foresaw, however, no difficulty with countries such as Thailand and the Philippines. He thought there would have been difficulty if Formosa had been a member.

4. He said that the question of the use of nuclear energy would probably come up at the African-Asian Conference [Bandung]. If the agreement with Canada specifically mentioned scientists from Colombo Plan countries in Asia, people might ask whether this meant that scientists from other Asian and African countries would be excluded. It might

well be that Middle Eastern and African countries, which are not members of the Colombo Plan, would want to have their scientists receive training at a research centre in India.

5. In making this point he was not referring to China. So far as Peking China is concerned, he said it was hard to forecast the conditions two or three years from now, when the plant would be completed. Perhaps relations between Peking China and the Western world might be much better. There was the possibility, however, that Peking China might try to embarrass India by asking that their scientists receive training at the Indian research centre. So long as the public agreement between Canada and India contained no explicit prohibition on the granting of training to Chinese, he thought this problem could be faced at the time in the light of the circumstances then existing.

6. Since the other Colombo Plan countries in the area would benefit from the gift of the reactor to India, I hope that this project might not be wholly at the expense of other projects for assistance to India under the Colombo Plan.

7. Any comments I could have from you on Pillai's initial reactions would be useful for my talk with Nehru on Sunday.

[E.] REID

258.

DEA/11038-1-13-40

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

*High Commissioner in India
to Secretary of State for External Affairs*

TELEGRAM 222

New Delhi, April 2, 1955

SECRET. IMPORTANT.

Reference: Our telegram No. 218 of April 1.

ATOMIC RESEARCH REACTOR

1. Following is the text of my letter referred to in paragraph 1 of my telegram under reference: Quote

My dear Prime Minister,

I have been instructed to inform you that Canada would be prepared to consider providing India, under the Colombo Plan, with an atomic research reactor for use in Atomic Energy Research Centre in India. The research reactor would be of the NRX type. This type is now in operation at Chalk River, the Canadian Government's atomic energy establishment near Ottawa.

Our experience in Canada indicates that a research reactor would probably be the most useful type for India at this stage, particularly for the purpose of building up the body of knowledge and the corps of qualified personnel which will be required in order to take advantage later of the electric power and other potentialities of atomic energy. This has not only been our own experience but we understand that it is the course which is being followed by Australia, Belgium, Denmark and Switzerland who are also acquiring research reactors.

In order that atomic energy may be applied constructively in the shortest possible time to the problems of economic development of the Asian countries in the Colombo Plan, it is

clearly essential that knowledge in this field be spread as widely as possible among them. Canada, therefore, assumes that if India were to accept the Canadian offer, India would wish to permit scientists from the other Asian countries in the Colombo Plan to receive training at the Atomic Energy Research Centre in India where the research reactor from Canada had been installed.

If the Canadian offer were accepted by India, Canada would hope to be able to provide certain training facilities in Canada for those who would be responsible for the maintenance and operation of the reactor.

The total cost to Canada of the research reactor would be between 5 and 10 million dollars, spread over a construction period of 2 or 3 years. This project might be at the expense of other projects for Canadian assistance to India under the Colombo Plan. Some of these other projects are already under discussion between India and Canada. The Indian authorities might therefore wish to indicate the priority which they would attach to the research reactor in comparison with the other projects which they have suggested to us.

The Canadian authorities also realize that the Indian authorities will want to satisfy themselves that the Canadian type reactor would be most suitable for their purposes. To assist in this examination the Technical Director of Atomic Energy of Canada is writing to Dr. Bhabha explaining the features of our reactor without of course mentioning the possibility that one might be supplied under the Colombo Plan.

I have given this communication a high security marking because of its exploratory character and because it is clearly desirable that nothing be said publicly at this stage about the proposed project.

In placing this offer of the Canadian Government before you, I have been asked to assure you of the desire of the Canadian Government to cooperate constructively with the Indian Government in applying atomic energy to peaceful purposes. Unquote.

[E.] REID

259.

DEA/11038-1-13-40

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

TELEGRAM 215

Ottawa, April 2, 1955

SECRET. IMMEDIATE.

Reference: Your telegram No. 218 of April 1.

ATOMIC RESEARCH REACTOR

In specifying the condition mentioned in paragraph (iii) of our earlier message, our primary concern was that access to the reactor for training purposes should not be unduly restricted. We had in mind particularly the misunderstanding which might arise in a country such as Pakistan if its scientists were to be excluded entirely.

2. We consider Pillai's reaction to be generally sensible. We agree with what is apparently his view that it would be unwise to lay down restrictive conditions at this stage when

it is impossible to foresee what the situation might be when the reactor would come into use.

260.

DEA/11038-1-13-40

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

TELEGRAM 226

New Delhi, April 4, 1955

SECRET. IMPORTANT.

Reference: Your telegram No. 215 of April 2.

ATOMIC RESEARCH REACTOR

1. Prime Minister Nehru discussed this with me after lunch on April 3. He thanks you very much for your offer. He said he is not able to say more at the moment since he is consulting Bhabha. He had thought of giving Deshmukh a copy of my letter to him but decided to wait until he had heard from Bhabha. It is not therefore possible for me to discuss the matter with Deshmukh.

2. The Prime Minister did not abide any other aspects of the question.

3. I shall pass on to Pillai informally your comments in your telegram number 215 on his initial reactions.

4. I am leaving Delhi for Bombay on April 7.

[E.] REID

261.

DEA/11038-1-40

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

TELEGRAM 259

New Delhi, April 19, 1955

SECRET. IMPORTANT.

Reference: Your telegram No. 232 of April 15.†

ATOMIC RESEARCH REACTOR

When I saw the Secretary General today I asked him what progress had been made by the Indian authorities in considering our proposal. I told him confidentially that Mr. Howe, who will be leaving New Zealand around May 3, might be able to visit New Delhi if the Indian Government could come to a decision sufficiently in advance of May 3 to permit the Canadian authorities to complete their consideration. The Secretary General's reply was disappointing. He said that India was immensely grateful to Canada for its generous offer and that the Indian Government was giving it careful consideration. He then went on

to say, however, that before a decision could be reached it would be desirable for Bhabha to have a look at the NRX type reactor and on the basis of his recommendations the Indians would be able to make a decision. He emphasized that he did not want us to get the impression that India was ungrateful for the offer but he said that there was some question of whether the NRX type reactor was not becoming obsolete.

2. In the circumstances he did not think there would be any point in Mr. Howe visiting Delhi in connection with our proposal. He added that, of course, Mr. Howe would be welcome at any time. He wondered, however, whether the early part of May would be the most desirable in view of the number of delegates from Bandung who plan to visit here en route home.

3. Pillai then said (speaking off the record) that if the reactor were an outright gift and India's acceptance of it was not at the expense of other projects for Canadian assistance to India under the Colombo Plan, there would be no difficulty in arriving at a decision. If, however, the gift of the reactor were at the expense of other projects, then it would be necessary to consider it in the light of the projects which the Indians have put forward and in the context of whatever recommendations Bhabha might make after seeing it.

4. There also seems to be another aspect of the proposal agitating the Indians. This relates to the condition that scientists from other Asian countries in the Colombo Plan receive training at the Atomic Research Centre in India where the Canadian research reactor would be installed. Pillai said that India had already made contact with the United Kingdom on atomic research questions and it could well develop that if the Canadian reactor were available for training of non-Indian scientists confidential atomic research information received by India from the United Kingdom might be compromised. This is an administrative problem which perplexes the Indians.

5. As I see it, then the Indians will come to no final decision until Bhabha has had an opportunity to investigate our NRX type reactor. Is it possible for you to invite him to visit Chalk River?

6. If the reactor is an outright gift and not tied to other Canadian Colombo plan aid to India, it is conceivable that arrangements could be made to formalize the gift without Bhabha visiting Canada and thus permit Mr. Howe to participate. This, however, is a question to which undoubtedly you will wish to give very careful consideration.

[B.M.] WILLIAMS

262.

PCO/R-100-1-A

*Note du secrétaire d'État aux Affaires extérieures
pour le premier ministre*

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

SECRET

[Ottawa], June 14, 1955

In the light of recent developments I think it would be desirable for us to review the tentative offer to consider providing a reactor to India. It would seem that there are very strong political and commercial reasons for making a more definite and more liberal proposal to the Indian Government. This would appear to be a matter on which we should act rather quickly if we really hope to do something. If we are going to proceed, we might try to come to some conclusion in time to make a precise offer immediately after Mr. Nehru's return from his visit to Eastern and Western Europe early in July — and, in any event, well

before the Geneva meeting on atomic energy in early August. I would hope that if a new and more attractive offer is to be made, it might take the form of a personal message from you to Mr. Nehru accompanied by a detailed proposal on which the Indian Government could take an early decision.

Accordingly, I am writing to our colleagues the Minister of Finance and the Minister of Trade and Commerce putting forward a concrete suggestion. I attach copies of the letters which I have sent to them. If such a project would have your support, and if our colleagues are agreeable, I would hope that it might be considered within the next two weeks.

L.B. PEARSON

[PIÈCE JOINTE 1/ENCLOSURE 1]

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

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

SECRET

Ottawa, June 14, 1955

My dear Colleague,

POSSIBLE PROVISION OF AN NRX REACTOR TO INDIA
UNDER THE COLOMBO PLAN

Since the end of March when we authorized our High Commissioner to explore this possibility with the Prime Minister of India several things have happened which would appear to make it most desirable, from both a political and economic viewpoint, that we now make a more positive offer.

This would seem to me to be the case despite the fact that the Indian Government has not yet responded very definitely to our original tentative proposal. I am satisfied that their hesitancy is not due to a lack of interest in our reactor (which, I understand, is well suited to their requirements) — or a lack of appreciation of our gesture — but reflects rather their concern at the possible loss of aid from us for other important development projects which might have to be sacrificed if they took our reactor. So long as they must allow for the possibility that the reactor might come out of their regular allotment of Canadian aid, I think it only prudent for them in their present tight position to consider whether it might not be better to go on taking all of their aid from Canada in more “conventional” forms and try to get a reactor wherever they can get it most economically. I do not feel, therefore, that we should regard it as surprising that they are examining the possibility of securing a suitable reactor from the United States, the United Kingdom, or elsewhere, on more favourable terms. That does not mean, as I see it, that they do not want our reactor very much, or that they would not be well advised to take it. It may well mean, however, that they will get their reactor from some other country if we do not make our offer more precise and more attractive from their point of view.

In this connection, the recent announcements regarding arrangements for setting up a U.S. reactor in Japan (as well as some less ambitious U.S. projects in Latin American and other parts of the world) are probably significant. President Eisenhower's further offer last

Saturday in Pennsylvania may also have considerable appeal.³⁶ In addition we know that the United Kingdom, as well as the United States, is in close touch with the Indian authorities. Moreover, it is conceivable that in connection with the Geneva meeting on atomic energy in August — or on the occasion of Prime Minister Nehru's visit — the U.S.S.R. may be contemplating some dramatic gesture. It is quite possible that India may be attracted by an offer from one or another of these sources.

Such an outcome (except, of course, the Soviet possibility) would not be unsatisfactory if we had no interest in seeing India acquire a reactor from Canada. I take it, however, from the discussions in March, that there are very substantial reasons why we consider it worthwhile to encourage them to secure a Canadian-type reactor and one installed by Canadian firms.

Commercially, I believe you consider that such a project would be very advantageous for us, not only in terms of possible export business later on but also for the purpose of enabling more of our interested firms to get into this field and make themselves competitive for future work in Canada. Nationally, I think we are all aware of the satisfaction which the country takes in the position which has been achieved by Canada in atomic energy matters — thanks in large measure to the direction which you have given — and I am sure that it would be regarded as natural and proper if we were now to duplicate abroad the type of reactor which is serving Canada so well as we ourselves move into the power stage. Internationally, I am convinced that it would be most wholesome and constructive, in a very solid way, for Canada to set up the first experimental and research reactor in India — which is such a key country in Asia and in the Commonwealth, and a country with which we have developed particularly important relationships in recent years.

In these circumstances, and in the light of the very good programmes which India, and Pakistan and Ceylon as well, have submitted for ordinary forms of aid this year, I feel that we should offer all, or a substantial part, of the cost of the reactor over and above the present total of our Colombo Plan contribution.

I believe that this should still be done, however, within the framework of the Colombo Plan and not as an entirely separate venture. The undertaking of such a project would be less likely to be misunderstood in Asia if it was associated with the Colombo Plan. The Colombo Plan in turn would probably benefit from having such a constructive project carried out under its auspices. Furthermore, if we were to act under the Colombo Plan, we might follow the course suggested above without necessarily adding to the burden on the budget this year, since that part of the expenditure falling in the current fiscal year could be met from the existing appropriation.

To my mind, there are several good reasons for making the bulk of this project additional to the present vote. Two have already been mentioned: the special interest which I think we have in encouraging the Indians to adopt a Canadian reactor and the fact that India and the other two Asian countries have already submitted good programmes which would use more than the available amount of funds. Another reason is that this project is

³⁶ Le président Eisenhower a offert l'aide des Américains aux pays « libres » et « amis » pour le développement de réacteurs nucléaires à des fins civiles. Voir United States, *Public Papers of the Presidents of the United States: Dwight D. Eisenhower 1955*, Washington D.C.: United States Government Printing Office, 1959, Document 121, pp. 593-600.

President Eisenhower offered American help to "free" and "friendly" countries in developing nuclear reactors for civilian purposes. See United States, *Public Papers of the Presidents of the United States: Dwight D. Eisenhower 1955*, Washington D.C.: United States Government Printing Office, 1959, Document 121, pp. 593-600.

more a "regional" than a "national" one since it is envisaged that it would also be used by scientists from countries other than India (including possibly some from Asian countries which are not now receiving capital aid from us, such as Burma and Indonesia). It is, therefore, rather similar to the regional aid to which the United States is expected to devote some \$200 million in addition to regular country programmes of some \$700 million.

The kind of proposal which I have in mind is indicated in the enclosed memorandum. I should be grateful for your comments on it.

This would now seem to me to be a matter on which we should act rather quickly if we are anxious to do anything. I would hope that we might submit a definite proposal to our other colleagues very soon and that, if we are going to proceed, we might be in a position to make a precise offer to the Indian Government immediately after Mr. Nehru returns from his visit to Eastern and Western Europe early in July — and in any event well before the Geneva meeting in early August. I think such an offer might best take the form of a personal message from Mr. St. Laurent accompanied by a detailed proposal on which the Indian Government could take a decision.

I am writing on similar lines to our colleague Mr. Harris and I also plan to discuss the matter with the Prime Minister.

Yours sincerely,
L.B. PEARSON

[PIÈCE JOINTE 2/ENCLOSURE 2]

Projet de proposition au Gouvernement de l'Inde
Draft Proposal to Government of India

SECRET

[Ottawa, n.d.]

(a) The Canadian Government is willing to provide an NRX reactor to the Government of India for use by Indian scientists and by scientists of other Asian nations in the Colombo Plan. (The method of keeping the number of scientists from such other countries within practicable limits and any other safeguards which the Indian Government might consider necessary could no doubt be worked out on a satisfactory basis with an appropriate degree of consultation.)

(b) The Canadian Government's contribution would cover all external costs, including designing the reactor and related structures, supervising construction, and procuring, shipping (acceptance of shipping charges in this case would appear to be justifiable, without creating a precedent, in view of the special nature of the shipping arrangements which would probably be required) and installing the operating equipment. (The question of the provision of the fuel might be left open for discussion until the project nears completion.)

(c) The Indian Government would be responsible for providing the site, and all locally available labour and materials required in construction, including the charges of an Indian construction contracting firm if feasible; although the Canadian Government would be willing to agree to the use of existing counterpart funds, and the balance of those not already allocated from the sale of aluminium and copper supplied by Canada under the Colombo Plan, to meet a substantial part of such local costs.

(d) That part of the foreign exchange expenditures falling in the current fiscal year (which would not be large and might be limited to a maximum of, say, \$500 thousand) would be deducted from existing Colombo Plan funds and indirectly from the amount which might otherwise have been allocated to India.

(e) The balance of the foreign exchange element in the project, up to a maximum of \$7 million, would be covered by additional Canadian Colombo Plan contributions over the succeeding two years as the progress of the work might require, subject to the appropriation of funds by Parliament; such contributions to be over and above what would otherwise have been the total amount made available by Canada for Colombo Plan purposes and not to be deducted from what would otherwise have been the allotment to India for ordinary economic development projects in those years.

(f) In the event that the total foreign exchange expenditures exceeded \$7.5 million, the excess might be deducted from any allocation of Canadian aid to India during the year in which any such excess arose.

(g) The Canadian Government would also provide, under the Technical Cooperation Scheme, such training as might be practicable in the operation of this reactor and in related fields.

263.

PCO/R-100-1-A

*Note du secrétaire d'État aux Affaires extérieures
pour le premier ministre*

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

CONFIDENTIAL

Ottawa, June 14, 1955

I sent you today a memorandum about the possibility of liberalizing our offer of an atomic research reactor to India. It may be argued that this increase (it would amount to about \$7 million) in our Colombo Plan appropriations would be over-generous. When these matters come up in Cabinet, comparison is always made with United States contributions. In this connection, I hope you may be able to find time to read the attached memorandum on "Comparison of Canadian and United States Foreign Aid Programmes".† This was written before President Eisenhower's recent offer to share the cost of atomic research reactors with friendly foreign countries. Without this additional assistance the figures show that for the last 3 years the United States aid contributions are greatly in excess of those from this country on a per capita basis and, indeed, on a relative gross national income basis. While, of course, the comparison cannot be exact, during the period in question the United States appropriated nearly \$4 billion for non-military foreign aid while our appropriations were less than \$100 million. In the field of military aid, the United States appropriated nearly \$10 billion, while our figures were close to \$1 billion (though \$200 millions of this was not spent.) It should also not be forgotten that much of our NATO mutual aid consisted of existing military equipment which was charged on the basis of replacement value, something which is, I understand, not possible in U.S. accounting procedures.

All in all, the record indicates that in so far as comparison with the United States is concerned, Canada is, to say the least, not doing more than its share in this field.

L.B. PEARSON

264.

PCO

*Extrait des conclusions du Cabinet**Extract from Cabinet Conclusions*

TOP SECRET

[Ottawa], July 11, 1955

...

POSSIBLE PROVISION OF AN NRX REACTOR TO INDIA
UNDER THE COLOMBO PLAN

1. *The Secretary of State for External Affairs*, referring to discussion at the meeting of March 30th, 1955, said that Mr. Nehru had been informed that Canada was prepared to consider providing an NRX reactor for India under the Colombo Plan. The Indian government had hesitated in responding definitely to this proposal, probably because of concern at the possible loss of aid for other development projects which might have to be sacrificed if the reactor were accepted. So long as India had to allow for the reactor being financed out of regular Colombo Plan allotments, it was only prudent to take all aid from Canada in more conventional forms and secure a suitable reactor where it could be obtained economically without the sacrifice of other aid.

It was thought that India was examining the possibility of obtaining a reactor from the United States or the United Kingdom. It was also conceivable that, following the Geneva meeting on atomic energy or as a result of Mr. Nehru's recent visit to Moscow, Russia might make some dramatic gesture of this nature.

There were good reasons why it would be worthwhile to encourage India to secure a Canadian type reactor installed by Canadian firms. Such a project would be of advantage for future export business. It would enable more Canadian firms to gain experience in this field. In terms of international relations, it was desirable that it be Canada which set up the first research reactor in India, a key country in Asia and the Commonwealth, and a country with which Canada had developed close relationships in recent years.

For these reasons, the Minister thought the original offer should now be made more precise and more attractive. It might be suggested that a substantial part of the external cost of the project, estimated at \$7 million, be met from funds supplementary to the present total of our Colombo Plan contribution. This figure was based on estimates for installing a similar reactor in Canada, and it might have to be revised when more detailed plans were prepared.

Provision of the reactor could be undertaken within the framework of the Colombo Plan and not as a separate venture. In this context it would be less likely to be misunderstood in Asia, and the plan would benefit substantially from having such a constructive project carried out within it. In such circumstances, it would be possible to suggest that India permit scientists from other countries in the area to use the facilities that would become available.

If the proposal were acceptable, a definite offer could be made to the Indian government on Mr. Nehru's return from abroad, in the form of a personal message from the Prime Minister to Mr. Nehru. Subsequently, a complete proposal could be submitted for consideration.

An explanatory memorandum had been circulated.

(Minister's memorandum, July 8, 1955 — Cab. Doc. 144-55)†

2. *Mr. Pearson* added that he had already discussed the proposal with the Prime Minister, the Minister of Trade and Commerce and the Minister of Finance. It might be possible to

meet a small portion of the cost from unallotted Colombo Plan funds, but this was doubtful. The project would be a two-year one and expenditures would be spread over this period.

3. *During the discussion* the following points emerged:

(a) The matter should be settled, at least in principle, before the Geneva meeting in August and before the meetings, to be held in the autumn, on the future of the Colombo Plan. During these latter discussions the Canadian attitude towards the future of the plan would have to be indicated, and probably some general idea given of how much assistance could be expected in the future. The reactor should be regarded as part of Canada's overall contribution to the plan as extended, although it would be additional to the present programme.

(b) The reactor could be a special contribution to benefit all countries in the Colombo Plan area. The information and techniques resulting from its operations should be made available to the other nations concerned. It would be situated in India because of that country's size and technical advancement in relation to other Colombo Plan countries.

(c) If there were practicable peaceful purposes for nuclear energy, it would be gratifying to have Canada play an important part in their development for Asia.

4. *The Cabinet* noted the report of the Secretary of State for External Affairs on the possible provision of an atomic energy reactor to India under the Colombo Plan, and agreed,

(a) that a personal message from the Prime Minister be sent to Mr. Nehru, informing him that Canada was prepared to provide a research reactor out of funds supplementary to the present total of the Colombo Plan contributions, but within the framework of the plan as a whole;

(b) that it be suggested that India might permit scientists from other countries in the area to use the facilities which would become available; and,

(c) that this project, if accepted, be taken into account in the determination of Canada's participation in the extension of the Colombo Plan to be considered in the meetings next autumn.

...

265.

DEA/11038-1-13-40

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

*Secretary of State for External Affairs
to High Commissioner in India*

TELEGRAM 454

Ottawa, July 15, 1955

SECRET. IMMEDIATE.

PROVISION OF AN ATOMIC REACTOR TO INDIA

In my immediately following telegram you will find the text of a personal message from Mr. St. Laurent which should be transmitted to Mr. Nehru as soon as possible. The purpose of this message is to inform Mr. Nehru, in general terms, of the decision of the Canadian Cabinet to make a definite offer to India of an NRX atomic reactor, to be financed largely from funds supplementary to those now available for allocation to India

under our regular aid programme. If an offer along these lines is accepted in principle by Mr. Nehru, we would then be prepared to make a precise proposal to the Government of India, setting out in detail the financial and technical aspects of this project.

2. Prior to the submission of this detailed proposal to India, Ministers have indicated that further consideration should be given in Canada to some of the following aspects:

(a) As accurate an estimate as possible would have to be established for the cost of the reactor, particularly the external costs, for which Canada would be responsible. It would then be the Canadian Government's intention to request Parliament to vote additional funds to the Colombo Plan based on this estimate and which would be spent presumably over a period of two or three years. In order to get the project under way it might be necessary to use existing Colombo Plan funds for certain limited foreign exchange expenditures which might fall within the current fiscal year. This amount would probably be very small and would not materially affect our participation in any of the conventional projects which India has proposed to us for this year's programme. Towards the end of the project it may be possible that the estimate of cost will prove to be too low. Depending on the circumstances, the Canadian Government might prefer to cover any such revisions from existing Colombo Plan funds rather than requesting Parliament for a further special vote.

(b) Further consultation is required before it would be possible to say whether or not Canada would be prepared to assume the costs of freight and insurance involved in the shipping of the equipment for the reactor.

(c) If the offer is accepted, consideration will also be given to the possibility that Canada might propose to India that some of the existing counterpart funds might be used for local costs.

3. These details should not be discussed at this stage with the Indians. Decisions concerning them could be reached fairly quickly if Mr. Nehru accepts this new offer. We hope that the Indian Government will be able to give us a definite reply at a very early date.

4. For your own information, we feel it would be very helpful to reach agreement with the Indians prior to the conference on atomic energy which is to be held in Geneva in August.³⁷ We also consider that the announcement of this project prior to the Singapore meeting of the Colombo Plan would have a beneficial effect. However, for the moment we are treating this proposal as highly confidential and it has not been discussed in any way with any other government.

³⁷ Une conférence parrainée par les Nations Unies pour examiner les aspects scientifiques et techniques des utilisations pacifiques de l'énergie atomique s'est tenue à Genève du 8 au 20 août 1955. Voir Canada, Ministère des Affaires extérieures, *Affaires Extérieures*, volume 7, n° 11, novembre 1955, pp. 300-303.

A UN-sponsored conference to examine the scientific and technical aspects involved in the peaceful uses of atomic energy was held in Geneva from August 8 to 20, 1955. See Canada, Department of External Affairs, *External Affairs*, Volume 7, No. 11, November, 1955, pp. 297-300.

266.

DEA/11038-1-13-40

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

*Secretary of State for External Affairs
to High Commissioner in India*

TELEGRAM 455

Ottawa, July 15, 1955

SECRET. IMMEDIATE.

Reference: My immediately preceding telegram.

PROVISION OF AN ATOMIC REACTOR TO INDIA

The following is the text of a personal message to the Indian Prime Minister from Mr. St. Laurent, which you should communicate to Mr. Nehru as soon as possible:

2. "Shortly before our High Commissioner left New Delhi to return to Canada for his home leave, he raised with you the possibility that Canada might supply an atomic reactor to India under the Colombo Plan. Subsequently, I believe, there have been some informal exchanges between scientists of our two countries with respect to the technical details of our NRX-type reactor and its usefulness for research and experimental purposes.

3. "Given the tremendous potentialities offered by atomic energy for the generation of power, which is in all our minds today and which would seem to hold promise of altering radically the economic aspects of power production in India, I believe that Canada might make a valuable contribution to India's economic development by making available at this time the NRX-type reactor, which has served us so well in our own scientific activities and in our preparations for the development of nuclear power. Our experience has shown that working with a reactor of this type is one of the best ways of familiarizing experts with the techniques of developing nuclear power. In addition, of course, a reactor of this type produces materials of great value to various branches of science and medicine.

4. "I am sure that you share my conviction that international cooperation in the development of atomic energy will best serve our mutual desire to promote rapid and durable economic progress in all parts of the world. With this in mind, I would hope that, if you decided to accept the proposal made above, you would be prepared to permit scientists from other Asian countries in the Colombo Plan, who have such a great interest in this field, to benefit from the facilities available at any atomic energy research centre in India where the research reactor from Canada might be installed.

5. "I have had an opportunity to discuss with our High Commissioner the progress you are making in your economic development programme and to hear something of the projects which your officials have proposed to us for assistance under the Colombo Plan in 1955-56. In view of the importance and urgency of these projects in your development programme, I believe that the bulk of the Colombo Plan funds which we were planning to allocate to India this year should be devoted to these projects. It is the view of the Government that any atomic reactor which we might supply should be provided in a manner which would leave virtually unchanged the amount of funds available for assistance to India in financing conventional development projects.

6. "If you are satisfied that an experimental and research reactor of the type which we are able to supply would be of real value to India and to other countries of South and South-east Asia, I am confident that our officials could work out detailed arrangements which

would make it possible for this reactor to be provided without materially affecting the volume of assistance in other forms which we are anxious to give to the great efforts which your people are making in carrying out your imaginative and constructive economic development plans.

7. "As I believe Mr. Reid indicated to you in his earlier communication, I think it desirable that this possible project should be explored without any publicity at this stage. Accordingly, I would not propose to say anything about it publicly until after I have heard from you."

8. "With sincere congratulations on the great success of your recent Western tour and warm personal regards. Louis St-Laurent"

267.

DEA/11038-1-40

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

TELEGRAM 467

New Delhi, July 18, 1955

SECRET. IMPORTANT.

Reference: Your telegrams Nos. 454 and 455 of July 15.

PROVISION OF AN ATOMIC REACTOR TO INDIA

I handed Mr. St. Laurent's personal message to Mr. Nehru to the Secretary General this morning. Pillai said he would give it to the Prime Minister today.

2. Pillai again expressed appreciation for our offer. He was also pleased to learn of the decision to finance the reactor largely from funds supplementary to those now available for allocation to India under our regular aid programme.

3. In paragraph 4 of my telegram No. 259 of April 19 I mentioned an aspect of the proposal which seemed to be getting the Indians. Pillai again today (speaking privately and personally) referred to this condition. He said that he fully understood our position and the need from our point of view for this condition. He went on to say, however, that it posed problems for India in its atomic research activities. This condition undoubtedly bothers the Indians. I suggested that our reactor might be so located that scientists from other Asian countries in the Colombo Plan working with it would not have access to buildings, etc., which Indian atomic research authorities wished to keep secret.

4. Bhabha is in Bombay and Pillai will, I think, ask him to come up to Delhi to speak with the Prime Minister about our offer.

5. Pillai told me that Bhabha has been invited to visit the USSR. Pillai also said that he understood that India was building a research reactor.

6. When Pillai was in the Soviet Union with the Prime Minister he visited an atomic research centre where the Russians are using atomic energy to generate electrical power. Pillai said they are now producing 5,000 kws. but the cost is about three times that of Hydro electric power. The Soviet experts told them now that the technical difficulties had

been ironed out, they hoped to be able to produce 100,000 kws. for about the same cost as Hydro electric power.

[B.M.] WILLIAMS

268.

PCO/R-100-1-A

*Le secrétaire d'État aux Affaires extérieures
au premier ministre*

*Secretary of State for External Affairs
to Prime Minister*

TOP SECRET

Ottawa, August 4, 1955

Dear Mr. St. Laurent,

I am enclosing a letter from the Indian High Commissioner to you conveying the personal reply from Mr. Nehru to your message regarding the atomic reactor.

As you will see, the Indian authorities would be willing, if we provide them with a reactor, to allow accredited foreign scientists, including those from other Asian countries in the Colombo Plan, to work with it. This assurance would seem to indicate that the Indians are adopting the kind of attitude towards this proposed project which we had hoped for and would appear to make it reasonably likely that the provision of a reactor would be of benefit to other countries in South and Southeast Asia. Mr. Nehru does not say that scientists from *all* Asian countries in the Colombo Plan would be admitted but I feel we should assume for the present that his reference to "other Asian countries in the Colombo Plan" is intended to include Pakistan, which appeared to us to be the main one concerned when we prepared the original proposal.

The main problem raised by Mr. Nehru has to do with the difficulties which may be encountered in operating an NRX type reactor in Bombay where only salt water from the harbour would apparently be available in adequate quantities. In view of these difficulties, Mr. Nehru indicates that his advisers would prefer to receive the NRU model which they understand can be cooled with heavy water and thus reduce to a minimum the technical problems involved in cooling the operating part of the reactor under Bombay conditions. Mr. Nehru observes that the Indian Government would gladly meet any difference in cost which there might be between the two types of reactors.

We have raised these questions with Mr. Bennett, the President of Atomic Energy of Canada Limited, and he will discuss them with Dr. Bhabha in Geneva during the next week or so. Mr. Bennett's immediate reaction is that it would be quite out of the question to provide the Indians with an NRU model. I understand that Mr. Bennett has discussed the subject with Mr. Howe and that Mr. Howe is writing you today concerning some of the obstacles which stand in the way of our providing an NRU reactor.

It may well be that after our people have had an opportunity to discuss the various aspects with the Indian scientist in Geneva, they will reconsider their preference for the NRU reactor and that some way will be found of overcoming the problems anticipated in operating an NRX type reactor in Bombay. In any event, I think you will agree that it would be desirable to defer a reply to Mr. Nehru's message until after we have a report on

these conversations in Geneva. I am sending copies of this letter and enclosures to both Mr. Howe and Mr. Harris.

Best regards

L.B. PEARSON

[PIÈCE JOINTE/ENCLOSURE]

*Le premier ministre de l'Inde
au premier ministre*

*Prime Minister of India
to Prime Minister*

[New Delhi], July 31, 1955

"I thank you for your message of the 16th July conveying the generous offer of your Government to make an atomic reactor available to us, under the Colombo Plan, in addition to the funds for assistance in financing our conventional development projects. I warmly welcome the proposal and assure you of our willingness to provide facilities for working with the reactor to accredited foreign scientists including those from other Asian countries in the Colombo Plan.

Whilst I am convinced of the great value that an experimental and research reactor would be to India, I am advised to indicate our preference for the NRU model, which you now have under construction, as being better suited than the NRX to the physical conditions of Bombay where the reactor would have to be located in a part of the Atomic Energy Establishment.

The technical reason for this, I believe, was mentioned in those informal exchanges between Scientists of our two countries to which you have made reference. As we shall have nothing like the waters of your Chalk River with which to cool the NRX reactor, we will either have to cool the cooling water which flows through the reactor in cooling towers, or by passing it through a heat exchanger in which the secondary circuit will contain the salt water of the Bombay harbour. With this arrangement, it would be better to use heavy water than ordinary water in the primary cooling circuit. If this is done, the reactor will approximate more, I understand, to your NRU reactor than to the NRX.

I would indeed appreciate your giving some thought to this aspect of the matter and venture to add that we would gladly meet any difference in cost that there may be between the two Canadian models. Perhaps when our Scientists meet in Geneva next month, for the Atom-for-peace Conference, they would take the opportunity to continue informal discussions about these reactors. In any case, it would be convenient if sketch plans and data sheets for the NRX and including, if possible, for the NRU reactor could be supplied to Dr. Homi Bhabha by the Canadian delegation.

I am very happy to receive your congratulations on my recent tour and your personal good wishes. With my sincerest regards, Jawaharlal Nehru."

269.

PCO

*Le ministre du Commerce
au premier ministre*
*Minister of Trade and Commerce
to Prime Minister*

PRIVATE AND CONFIDENTIAL

Ottawa, August 4, 1955

My dear Prime Minister,

Regarding Canada's proposal to supply a research reactor to India, I have read Prime Minister Nehru's reply to your message of July 14th. It would appear from the reply that India's preference is for a reactor of the NRU type rather than the NRX type. For the reasons set out hereunder, I regret that we are not in a position to supply a reactor similar in design to the NRU reactor.

Our original proposal was based on the assumption that India was anxious to develop a research programme in the field of atomic energy. Experience in Canada and in the United States and the United Kingdom indicates clearly that a reactor which can be used for research and experiments is essential to such a programme. The NRX reactor, which went into operation in 1947, has certain unique characteristics as a research and experimental reactor. It is largely because of this that our research and development effort has reached its present advanced stage. It was our view that such a reactor would be of great value to India in the training of scientists and engineers and in the carrying out of research and experiments necessary for the development of atomic power. We are in a position to undertake the construction and installation of such a reactor with a minimum of delay, because a full set of plans is now available. Moreover, we would have no doubt as to its successful operation, inasmuch as we have accumulated eight years' operating experience. We are also in a position to make a reasonably accurate estimate of capital and operating costs because of our own cost experience. The NRU reactor, on the other hand, is still under construction and it is not expected to be in operation until late in 1956. Apart from the other objections which I shall mention, it would be most unwise to undertake the design and construction of a second reactor of the NRU type until we have had some operating experience.

The NRU reactor is quite different from the NRX reactor in several important respects. This reactor was designed primarily for the production of plutonium which will be sold under contract to the United States Atomic Energy Commission. The reactor will also have a large capacity for testing and experiments. In addition, it will be capable of producing large quantities of radioactive isotopes for sale in Canada and abroad. The reactor is much larger in size than the NRX reactor and much more complicated in design. This is reflected in the difference in cost. We estimate that the NRX reactor, including the building and services, could be built to-day for \$8,000,000. The estimated cost of the NRU reactor is \$48,000,000. There is a similar difference in the annual operating costs of the two reactors. The annual operating cost of the NRX reactor, including the uranium fuel, is approximately \$2,000,000. It is estimated that the annual operating cost of the NRU reactor, including the uranium fuel, will be \$10,000,000. Because of the complexity of its design, it is expected that the NRU reactor will require a highly-trained group of engineers and scientists for its operation. Such a group will be available in Canada because of our experience in operating the NRX reactor. My officials are convinced that no comparable group

exists in India. In this connection you will recall that we have agreed to train Indian operators for the operation of the NRX reactor.

While there has been much declassification of information in recent months, there is still a large body of information which remains classified under our classification agreement with the United States and the United Kingdom. Included in this are certain design features of the NRU reactor. Under the existing classification arrangement we are, therefore, not in a position to communicate to India the full details of the design of the NRU reactor.

The NRX reactor, because of its unique facilities, has been used extensively for experiments by the United Kingdom and the United States. This arrangement has been of great benefit to Canada on three counts. First, it has enhanced greatly our position in the field of atomic energy. Second, we have derived valuable information from the United States and United Kingdom experiments. Third, it has been an important source of revenue. Since the NRU reactor will provide better research and experimental facilities than those in the NRX reactor, we anticipate a corresponding increase in the benefits indicated above. In fact, we expect that the NRU reactor will be the finest research and experimental reactor in the world. Considering the amount of our investment, we would hope to be in a position to exploit the advantages of the new reactor to the fullest extent.

For the reasons stated above, I recommend that you advise Prime Minister Nehru that we cannot consider the proposal that a reactor of the NRU type be supplied to India. I suggest that no reference be made to the classification problem, although this must be an important factor in our decision.

W.J. Bennett, the President of Atomic Energy of Canada Limited, has arranged to see the Indian atomic energy officials at Geneva next week. Mr. Bennett will state our position without reference to the classification problem. He will also provide the further information which has been requested with respect to the NRX reactor. Similar information about the NRU reactor cannot be supplied because of classification. Perhaps you might consider deferring your reply to Prime Minister Nehru until Mr. Bennett has reported on his conversations at Geneva.

Yours sincerely,
C.D. HOWE

270.

PCO

*Note du secrétaire du Cabinet
pour P.M. Dwyer, Bureau du Conseil privé
Memorandum from Secretary to Cabinet
to P.M. Dwyer, Office of the Privy Council*

SECRET

[Ottawa], August 24, 1955

RE DISCUSSION ON INDIAN REACTOR AND RELATED MATTERS

At Mr. Bennett's request, I went over this morning to his office with Messrs. Léger, Plumtre, Cavell and one or two others, to hear the results of his discussions with Bhabha in Geneva on this subject and we covered a number of other matters as well. You should see the top few items in file No. R-100-1-A.

Bennett had two meetings with Bhabha — one on the Monday immediately after he got to Geneva and another about ten days later. He also had a number of meetings with the

Americans and the British on the International Atomic Agency and the relation of it to the proposed meeting now going on in Geneva following the conference.

In regard to the Indian matter, after some discussion with Bennett and Lewis — several others apparently were also present — Bhabha came to the conclusion that probably it was not necessary to go to an NRU type reactor rather than an NRX type because of the problem of cooling it, as set forth in Nehru's reply to Mr. St. Laurent. Apparently the Indians will have to locate their reactor in Bombay and rely upon sea water there for cooling it. This will not only be salt water but will be at a temperature of 80 odd degrees. However, it appears that this can be used for cooling an NRX type circuit, where the cooling water (light rather than heavy water) circulates directly around the fuel elements within the reactor itself. As a result of these conversations, it now looks as though our proposal to give them an NRX type is acceptable to Bhabha and he will so advise Nehru. On the other hand, he wants his real experts to have a look at NRX and discuss it in some detail. Consequently some experts are coming from Geneva and some from India to be at Chalk River about September 15th. As a result of this visit they will come to a technical decision as to whether this is the type of reactor that will be suitable for their purposes.

Bhabha told Bennett that they had made arrangements with the U.S. to get a "swimming pool" type reactor from the U.S., apparently under an arrangement whereby the U.S. will pay half the cost. They visualized this as the first stage in their reactor programme. They were then going to go, as a second stage, to an E-443 type reactor from the U.K. This is a heavy water moderated reactor that apparently uses partially enriched fuel. It is much larger than the small "swimming pool" type. They thought the NRX type might be their third stage. Now they are revising their thinking and Bhabha feels that perhaps they could go straight to NRX as their second stage. It is this they must investigate further technically.

Apparently there have been some discussions with the U.K. about an E-443 reactor, but no commitments or definite understandings. Bennett did not learn what sort of financial arrangements might be involved, but presumably the Indians would pay the U.K. for it. Bennett understood that the next step in this matter was probably a further message from Nehru to Mr. St. Laurent after Bhabha has reported back to Nehru. I gathered that this would be before the visit of the Indians in September.

In his discussions with Bhabha, Bennett touched upon the financial arrangements, indicating that he understood the Canadian government was prepared to provide the costs of the reactor and its assembly, but not of the building for it apart from foundations for the reactor itself. All this would be provided up to a total of not more than \$7 million outside of the regular present Colombo Plan programme of funds. He indicated that Canada would not propose providing either the heavy water or the fuel charge (on this see below).

The U.S. at Geneva, in a statement that appeared to be using the conference for propaganda much to the disgust of the British, indicated that they were prepared to sell uranium at \$18 a pound and heavy water for reactor purposes at \$28 a pound. Apparently they also indicated they were willing to sell U-235 at a certain figure for research purposes. This has some relation to India acquiring the heavy water and fuel charge.

On the basis of the encouraging reaction from Bhabha, we discussed the next stages if we were going ahead. It was decided that a contract for the reactor to the NRX design and specifications should be let by the Colombo Plan administration. Atomic Energy of Canada Limited would be their consulting engineers and would in fact employ a consulting firm itself to do the detailed engineering work, although it would be necessary for Atomic Energy of Canada to put two or three of their own people on the project full time. They thought that the design should not be altered in any but the most minor particulars from the

reactor as it is at present. One of the minor particulars would be to have somewhat larger holes in the upper surface of the reactor so that the calandria tubes can be removed, and also the control mechanism in the design would be in accordance with the new mechanism now being made for NRX by an American company. It was definitely understood that no physicists would be permitted to look at the design at this stage, but only engineers whose work would be necessary to make any minor adjustments. They will have to have a group of engineers or tradesmen work on the preparation of a new set of drawings and specifications, reflecting the present design of NRX and these will be used for calling for firm bids for the manufacture of the reactor. Bids will probably be invited from four or five Canadian firms or combinations of them, but perhaps C.G.E. will not be invited to bid in view of its work on the new power reactor. It is thought it would take a couple of months to get the new drawings and specifications ready before calling for firm tenders. We decided that this work should not be commenced before the Indian group arrived in September, but perhaps the engineering firm to do this work will be selected and one of their men invited to come along at the same time as the Indians, so that he will be aware of any special problems that they raise.

One of the most important problems arising out of this proposal to provide the reactor to India is what conditions we should attach to the arrangements relating to the control over and use of the plutonium produced in it. The NRX type and size reactor produces enough plutonium each year to make several weapons apparently — that is, the quantity produced is significant enough to take into account in the control over the potential production of weapons.

It appears that the control over plutonium produced in research and power reactors is one of the most important purposes that the Americans and British have in mind in sponsoring the International Atomic Energy Agency. It appears that the Russians also see this as a virtue in the Agency. This was made evident by the fact that the Russians requested the special meeting in Geneva this week, following the conference, in order to study the possibility of a technical accounting for and control over plutonium production under the Agency arrangements proposed by the Americans. The inference certainly is clear that the Russians regard this as one of the most important aspects of the Agency's work. It looks as though the three major powers now producing nuclear weapons have in mind the importance of preventing their production by others, particularly one may assume by relatively small countries with unstable and perhaps from time to time irresponsible governments. This is a problem that Norman Robertson adverted to last year when visiting Ottawa. It is obviously a serious long-term question, as there are many countries in the world whose government structure is so unstable and various governments from time to time so irresponsible that one would see grave danger in their producing or having nuclear weapons with which they might not only cause serious damage to their neighboring or rival small countries, but perhaps in one way or another use them to initiate a major war.

If out of the setting up of the International Agency we are going to get some effective control over the use of the byproduct plutonium, then we should make our arrangements with India consistent with this. To do so, however, raises a most delicate political problem as it would be necessary to spell this out in some fashion, and yet do it in a way that would not be an insult to the Indians, either by assuming that they might have warlike intentions or might be prey to the instability or irresponsibility that we fear in others, or might supply the plutonium to others in this category.

I hazarded a suggestion that perhaps we could take the general line of principle that where uranium or other material (thorium?) is provided by any country to another for research or power purposes, the resulting by-product plutonium or other fissile material

(e.g. U-233) should be controlled and accounted for and sterilized in effect to non-military uses by any party. It seemed to me, and the others were inclined to agree, that perhaps India would find this general principle acceptable and it might also be acceptable as the basis of policy in regard to the International Agency. Such by-product fissile material could be used for enriching fuel for power reactors or could be used to a smaller degree for research purposes. It would, however, take an elaborate accounting and control organization to enforce this but it would look as though this were possible.

It was agreed that this was a problem of first-rate importance and we should think about it and meet again in about a week's time. We will also review the other aspects of the Indian reactor question at that time, including the possibility of our sending an interim reply to Nehru based upon the report Mr. St. Laurent will receive of the discussion with Bhabha.

We shall also want to think about this general question of the control of by-product plutonium in connection with the setting up of the International Agency. This is the question which the Americans, Russians, British, French and Canadians are discussing at the special meeting in Geneva this week. Barton has gone over to join Lewis at this meeting and we should be getting word on this from them. If you see anything of this among the telegrams, please let me know. I wish you would give some serious thought to this question, both in relation to the Indian proposal and to the International Agency.

In regard to the Geneva conference generally, Bennett had a good deal to say that was interesting but I shall not endeavour to go into it all here. It was a very large conference with the sessions each day commencing at 9.00 a.m. and running to 5.30 p.m. In addition, there was a great deal of informal contact between delegates of all nations, including the Russians who talked surprisingly freely. There was no endeavour by the Russians to use the conference for propaganda purposes, although the Americans did so. The Russians gave the first paper on a power reactor in the plenary session on the second day of the conference but it was a cold dispassionate technical account of a reactor that seemed to have been rather quickly built without frills in order to get into the field of power without delay in designing refinements. This design is so like NRX as to lead one to suspect that Bruno Pontecorvo must have contributed substantially to its design from what he saw and did at Chalk River.³⁸ Incidentally, they indicated that Pontecorvo had worked in their atomic energy programme but was now engaged in other work in the field of physics.

The Russians showed a considerable competence in the field of theoretical physics and reactor technology Bennett said, in reply to a question from me. They also showed a great interest in and knowledge of the field of biological effects of radiation control and safety measures, etc. Their standards of radiation were similar to our western standards, but their procedures for inspecting and checking were apparently much more severe than ours and this gave some concern to Cipriani.

As I told you this morning, one surprising feature was that the Russians provided almost no information on, nor asked any questions about raw materials and their treatment. They said very little about uranium occurrences and gave no information as to location of occurrences in Russia. What they said and talked about in the field of geology was quite general. Bennett did not know whether Lang had any conversation with our correspondent Ditmar. I shall have to ask Lang myself.

³⁸ Bruno Pontecorvo était un scientifique italien qui a travaillé dans les laboratoires de recherches atomiques du Conseil national de recherches de 1943 jusqu'en janvier 1949. Il a fait défection en Union soviétique en 1950.

Bruno Pontecorvo was an Italian scientist who worked in the National Research Council's laboratories on atomic research from 1943 until January 1949. He defected to the Soviet Union in 1950.

Bennett said that the Canadians, and I gather the Americans and British, felt there was some significance to this Russian avoidance of this field, but they cannot guess what the significance is — for example whether it indicated they were hard up for raw material or that they had ample supplies and did not wish to disclose this. This is perhaps something we should follow up on the intelligence side.

In general, it was the judgment of the British and Americans, as well as the Indians, that the Russians had made very real progress in the field of atomic energy.

The above has been dictated just from my memory of the meeting, as I made no notes and I may have omitted some matters. I am sending a copy of this note to Léger in the hope that if there is something I have overlooked that External Affairs consider important, they will let me know.

I think perhaps we should raise with the Prime Minister and Mr. Pearson the question of some interim reply to Nehru next week.

R.B. B[RYCE]

P.S. I forgot to mention one important point. In order to get control over the use of plutonium produced in the pile to be given India, it might well be desirable for us to provide the fuel elements on loan, to be returned to us for replacement and we would treat them to recover the "plute" and re-use the partially spent uranium. The value of the plute would perhaps be nearly enough to compensate us for what was used up, and the investment in supplying the fuel would be justified by the measure of control achieved.

This led us to consider the desirability of aiming at various degrees of processing of uranium in Canada. Bennett now thinks (as I do) that we should at least create the facilities to produce pure natural uranium metal in billets. Perhaps we should do more in due course.³⁹

R.B. B[RYCE]

271.

PCO

*Note du secrétaire du Cabinet
pour P.M. Dwyer, Bureau du Conseil privé*

*Memorandum from Secretary to Cabinet
to P.M. Dwyer, Office of the Privy Council*

SECRET

Ottawa, August 30, 1955

Léger and Bennett held another meeting on the Indian atomic reactor this morning to which I went on practically no notice at all, so I was unable to take you with me.

We discussed further with Finance, before Plumtre left for the east, the financial arrangements and costs. The estimated cost of the initial charge of fuel rods is about \$600,000 a year, of which about one-fifth is the cost of fabrication and cladding and the remaining four-fifths the value of the uranium at \$22 a pound. The rate at which this fuel charge is used up depends on the power at which the fuel is run and a number of other factors. In the case of NRX, they use up about the amount of the initial charge in one year. There are about 196 rods at something around 120 pounds each. The freight in shipping rods to India would not be substantial as they do not need any special treatment. Returning them, however, it is necessary to provide shielding, which might be as heavy as the rods

³⁹ Il y a des notes marginales illisibles au verso de ce document.

There are some illegible marginal notes on the back of this document.

themselves, and also some arrangement for cooling them with water. This should not be too difficult on a ship.

Operation of the pile at full power should produce something like 8 kilograms of plutonium a year but only a few grams of this would be needed by India for research. If the uranium is irradiated for more than 600 megawatt days per ton, a unit of measurement of the intensity of the radiation of the fuel, it develops isotopes of plutonium which make it unsuitable for weapon purposes unless greatly diluted (it explodes prematurely). In normal operation, the fuel rods would be irradiated 2,000 to 3,000 megawatt days per ton.

We discussed the arrangements for controlling and disposing of the plutonium and financing the furnishing of fuel which are somewhat interrelated. We also discussed the arrangements for taking up these questions with the Indians.

In regard to the substance of the arrangements, we were pretty well all in agreement that Canada should furnish and India should undertake to obtain from Canada the fuel elements for this reactor. If and when the International Agency is in operation, conditions on which the fuel would be furnished would be consistent with those established by the International Agency. If it is not in existence, the conditions of furnishing the fuel elements would be in accordance with a bilateral agreement to be made between Canada and India. This agreement would provide that the fuel elements would be returned to Canada, that Canada would furnish fissionable materials to India in research quantities for research purposes, and that Canada would undertake that the remaining fissionable materials would be held and used only for peaceful purposes. If the Agency were in existence when these materials became available, they would be contributed to the Agency or disposed of in accordance with its controls.

In regard to financing, we came to the conclusion that we should undertake to provide the fuel elements and to renew them for the first three years of operation. The cost of this provision and renewal would be charged to the Indian allotments under the Colombo Plan, of course assuming that India agrees. It will be difficult to say what the annual cost of renewal is because the costs of processing are very uncertain at this stage and the value to be attributable to the contained plutonium is most uncertain in the present outlook. It looks as though the annual cost as we might determine it would be \$1/2 million at the outside and perhaps considerably less. There was general agreement that if the International Agency was in existence, Canada and India might jointly contribute the plutonium to it. In any event, we would agree to restrict its use.

We did not get into the question of inspection, but it is possible that we might agree to inspection of our disposition of the plutonium if that were necessary to make it acceptable to India to submit to some inspection of their disposition of the rods.

In regard to the next steps, it was agreed that Bennett should send a message to Bhabha suggesting that he should send with the group visiting Chalk River in mid-September a man who could discuss the terms of a bilateral agreement between Canada and India on this subject, including for example arrangements for the provision and disposal of fuel elements and possibly the relation of the bilateral agreement to the International Agency. It was also agreed that it should be suggested to the Prime Minister that he should send an interim reply to Mr. Nehru, acknowledging Nehru's letter, noting that useful talks had taken place between Bennett and Bhabha, expressing appreciation of what he said in his reply in regard to admitting scientists from other Colombo countries and indicating that the government here would be pleased to have a group of Indian scientists visit Chalk River in mid-September for detailed discussions on the possibility of implementing the proposal. External Affairs would also hope that the Prime Minister might express the hope that it

would be feasible to complete arrangements in time to make some announcement about the project within the following few weeks (they have in mind Mr. Pearson announcing it at the Singapore meeting on the Colombo Plan). It may be difficult to make the necessary arrangements by this time.

I am going to draft out something with External for an interim reply to Nehru. Bennett will draft and inform us of a proposed message to Bhabha. Finance and External will try to put down the sort of terms that we might put into an agreement with India on this matter.

It was suggested by External Affairs that the cost of the Indians coming to Chalk River from India in September might be met out of Colombo Plan funds. Finance was willing to go along with this, although they were clearly a little reluctant to see us suggest this at this stage.

R.B. B[RYCE]

272.

DEA/11038-1-13-40

*Le premier ministre de l'Inde
au premier ministre
Prime Minister of India
to Prime Minister*

TOP SECRET

New Delhi, September 2, 1955

"You were good enough to make an offer of a reactor to India and I expressed my gratitude to you for this generous offer. I suggested then that it would be advantageous for some of our scientists to discuss this matter with Canadian scientists at the Geneva Conference on Atomic Energy. I learn now from Dr. Bhabha that he and his colleagues had some discussions with Mr. Bennett, President, and Dr. Lewis, Vice President of the Atomic Energy of Canada Limited, regarding the Canadian offer of a NRX reactor. These talks resulted in a friendly agreement between them and I am now writing to you formally to accept your kind offer of a NRX reactor for India. I am grateful to you and your Government for this and I am sure that this will not only bring about close cooperation between the scientists of our two countries but also be another link between us.

Some of our scientists including Dr. Bhabha will be visiting Canada about the third week of September.

Kind regards."

JAWAHARLAL NEHRU

273.

DEA/11038-1-13-40

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

*Secretary of State for External Affairs
to High Commissioner in India*

TELEGRAM 590

Ottawa, September 2, 1955

SECRET. IMPORTANT.

ATOMIC REACTOR

Would you please deliver the following personal message from Mr. St. Laurent to Mr. Nehru in reply to a message which Mr. St. Laurent received on Friday through the Indian High Commissioner here. Message begins:

I was extremely pleased to receive your message of September 2 in which you indicate that you formally accept our offer to provide an NRX reactor to India under the Colombo Plan.

I was also pleased to learn from your earlier message of July 31 that you are willing to provide facilities for working with this reactor to accredited scientists from the other Asian countries in the Colombo Plan.

Our officials are looking forward to the visit of Dr. Bhabha and the other members of the party which will shortly be visiting Canada to discuss the details of this project.

Until they have had an opportunity to discuss the details of these arrangements I would suggest, if you agree, that we might refrain from making a public announcement. I would hope, however, that we could proceed during the next month to secure agreement on these details. There might be advantage in having the announcement made at the time when Mr. Pearson will be visiting your part of the world in connection with the Colombo Plan meeting.⁴⁰

With best personal regards,
Message ends.

274.

DEA/11038-1-13-40

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

*Secretary of State for External Affairs
to High Commissioner in India*

TELEGRAM E-662

Ottawa, October 7, 1955

SECRET. IMMEDIATE.

NRX REACTOR

There have been discussions in Chalk River and Ottawa with Dr. Bhabha and a team of Indian scientists concerning the terms of the agreement for the provision of the NRX reac-

⁴⁰ Voir/See Canada, Department of External Affairs, *Press Releases*, 1955, No. 71.

tor to India as well as the technical arrangements relevant to its construction and erection. Dr. Bhabha leaves tonight and the remainder of his team are staying on for several days.

2. We proposed to Dr. Bhabha that Canada would lease to India the initial fuel element required for the reactor and replacements for a three-year period. According to our proposal the irradiated rods from the Indian reactor would be returned to Canada where plutonium and other byproducts would be extracted. Such byproducts as India might require for its research programme would be returned to India. Rental and other costs involved in these arrangements would be charged against India's regular allotment under the Colombo Plan, although we were prepared to consider that the rental charges of the initial fuel element might come out of the extra allocation which parliament will be asked to vote. It is evident that there will be strong Indian resistance to any arrangements for providing them with an atomic reactor which would not give India complete ownership and control of the fuel elements and byproducts (particularly plutonium).

3. Dr. Bhabha first suggested that India was considering establishing its own processing plants but later admitted that objections to leaving fuel elements and byproducts under Canadian control were essentially of a political nature.

4. Because of our agreement with the United States and United Kingdom we must consult these countries before we could agree to any proposal which would transfer complete ownership and control of the fuel elements and byproducts to India. Bennett proposes to discuss this next week at a meeting in Washington with Plowden and Strauss which had been called to discuss other questions. Bennett will press discreetly for more liberal view on part of United States with regard to control arrangements which rely on ownership of fuel elements and byproducts remaining in Canadian hands. Dr. Bhabha has indicated that his Government will give an undertaking that no fuel elements or byproducts supplied from Canada will be used for other than the peaceful development of atomic energy.

5. Although Dr. Bhabha has adopted a strong position with regard to this aspect of the project we are still very hopeful that satisfactory arrangements can be worked out that will enable us to provide India with the reactor. Bennett will have an opportunity to see Bhabha in Washington after his meetings with Plowden and Strauss. Negotiations concerning other aspects of this project have gone very well.

6. On the basis of preliminary estimates it looks as though the external costs for which Canada would be responsible will fall within the \$7 million estimate. The preliminary estimate of the cost for India is the rupee equivalent of about \$6 million. Dr. Bhabha suggestion that if rupee costs exceeded this estimate they would like to use Canadian counterpart funds. We explained that we would have no objection to this and that we would be quite prepared to consider the use of counterpart funds for some or all of the rupee costs of the project. We will send you by bag a more detailed explanation of the financial understanding that have been reached with Dr. Bhabha.

7. It is our view that details of this project should be incorporated into an agreement which as in other Colombo Plan projects would be carried out in an exchange of notes between yourself or Mr. Pearson during his visit and the Indian Government. Dr. Bhabha indicated that Mr. Nehru would probably sign any such exchange on behalf of India. We will shortly forward to you a draft agreement for presentation to the Indian Government some parts of which have already been discussed with Dr. Bhabha.

8. Apart from discussions concerning fuel arrangements Dr. Bhabha has been extremely co-operative and he has made a good impression on officials and ministers in Ottawa. Negotiations have been carried out in a very wholesome atmosphere and we are reasonably confident that we can solve the difficulties over the supply of fuel.

275.

DEA/11038-1-13-40

*L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures
Ambassador in United States
to Secretary of State for External Affairs*

TELEGRAM 1726

Washington, October 13, 1955

CONFIDENTIAL. IMPORTANT.

Reference: Your E-1720 of Oct 7/55.†
Repeat New York No. 7.

NRX ATOMIC REACTOR TO INDIA

Yesterday I attended with W.J. Bennett a meeting in the atomic energy commission which discussed only the plan for providing to India an NRX reactor. Sir Roger Makins attended with Plowden.

2. We explained that while some advance notice had been given to the State Department, there had been a leak in the Canadian Press. However, the actual discussions with Dr. Bhabha had begun only last week.

3. Bennett outlined the attitude which Bhabha had taken towards the Canadian proposal under which the title to the fuel elements would be retained by the Canadian Government and the processing done in Canada. The arrangements for fuel elements were designed to be temporary, this to avoid any arrangement which might prove to be in conflict with the agency at a later date. As had been anticipated, Strauss raised objections to the Indian terms. His general comment was that such an arrangement would create a precedent and run counter to the draft plans for the international atomic energy agency. He indicated two particular objections to the Indian proposals:

- (a) that they would create in India fissionable material available for atomic weapons;
- (b) that they would provide for Indian processing.

He appeared to regard the second of these two as the more important.

4. I explained the importance which the Canadian Government attached to the plan for providing the reactor. It would be an appropriate contribution by the West and fit properly under the general purposes of the Colombo Plan. I did not dispute Strauss' comment that the Indians were criticizing the terms of a gift. I said that we were not unfamiliar with Indian sensitivities, but this was an element which had to be accepted.

5. Finally, I suggested that there were two considerations which appeared to be conflicting:

- (a) that the Indian proposals would, admittedly, involve arrangements which we would all like to avoid;
- (b) that a collapse of the plan for providing the reactor would, in our view, be more than unfortunate.

6. Makins was not in a position to support the Canadian position. He had telegraphed to London but was informed by the Foreign Office that this important matter would have to be referred to Ministers.

7. Strauss had little to say except as indicated above, and seemed unready to look towards an escape from the present dilemma. He said that the question was one for the Secretary of State who would, no doubt, seek the views of the AEC.

8. This discussion developed from meetings between the A.E.C. and Plowden and Bennett, representing respectively the British and Canadian atomic energy authorities. The particular item on their agenda which had been held over until yesterday so that I could attend related to the exchange of information (between the three parties) concerning bilateral arrangements which any one government or authority might be making. Bennett and I had been in touch with Bryce before yesterday's meeting to make sure that the position we took reflected the views of the Prime Minister and the Government in Ottawa. We also reported to Bryce by telephone after the meeting.

9. From yesterday's discussion I would judge that the A.E.C. will oppose our yielding to Bhabha's insistence on Indian ownership of the fuel element. We have, however, made it clear that in the Canadian view the larger considerations tend to outweigh any risk involved. We admitted the difficulty of such a precedent but suggested that this might be overcome satisfactorily by a provision emphasizing the interim character of the arrangement pending agreement upon a new international régime.

10. Presumably Strauss will now consult the Department of State. But in this area of Government here we cannot be sure. In any event it seems to Bennett and me that we should allow time for United States comment before negotiations with the Indians are completed. Bennett will be in a position to report much more fully on his return.

A.D.P. HEENEY

276.

DEA/11038-1-13-40

*L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures*

*Ambassador in United States
to Secretary of State for External Affairs*

TELEGRAM 1744

Washington, October 15, 1955

CONFIDENTIAL.

Reference: Our telegram No. 1726 of Oct. 13.

Repeat Permdel No. 95.

NRX ATOMIC REACTOR FOR INDIA

Following for the Under-Secretary, Begins: Our telephone conversations with you and Bryce, October 13 and 14, following our meeting at the Atomic Energy Commission (reported in our telegram under reference) enabled you to comment on the situation as it had developed and to indicate to us further the attitude of the Prime Minister and the Government in Ottawa. You instructed me yesterday to take the opportunity of my interview with the Secretary of State on other matters to explain to him the general position we took and the importance we attached to concluding an arrangement with India.

2. When I raised the subject with Dulles in terms similar to those Bennett and I had employed with the Commission, the Secretary told me that Strauss had already mentioned the matter to him. Without commenting on our assessment of the "political" value of our proposal he said at once that he had for some time been concerned at the slow progress

made by U.S. authorities in giving practical effect, with appropriate safeguards, to the President's proposals for making atomic energy available for peaceful uses. Now he foresaw the danger of other nations — perhaps some with irresponsible governments — acquiring atomic weapons unless we were able to make rapid progress in some means of international control. What would the situation be, for example, if the Peron Government had had atomic weapons? The United States and the United Kingdom might be able to hold the line in agreement with the Soviet Union but if access to nuclear weapons were wider we would be in great difficulty.

3. I said that Canadian authorities agreed with him completely that it would be exceedingly dangerous to allow a situation to develop such as that he had described. As I understood it the quantity of weapon material involved in our deal with India would not in itself be serious; the point which seemed to worry the A.E.C. was the acquisition of processing techniques and the precedent which the transfer of ownership of nuclear fuel might create. The Indians were insistent on title. They would quite evidently regard our refusal to transfer ownership as an evidence of lack of confidence in our good faith. If our agreement broke down on this issue the general result would be serious not only for relations between Canada and India but for relations with Asian countries generally.

4. I told Dulles that we would hope to work out some formula which would satisfy the Indians and at the same time avoid the creation of a precedent which would be embarrassing in dealings with other Governments. We would insist upon the provisional nature of the agreement pending the establishment of an agreed international régime. We might be able to transfer actual title and yet retain the right to reprocess the fuel elements. In any event it could be agreed that the rules of the international agency when set up would replace any arrangements we made with the Government of India on an interim basis. It seemed to me that the essential problem was to weigh the risk involved against what we regarded as the serious political consequence of failure to complete our agreement.

5. To sum up, I made it clear that we hoped and expected to be able to complete our agreement with India on terms calculated to achieve the substantial political as well as material objectives we had in mind. Secondly, I made it clear that we hoped to do this in such a way that no serious intrinsic risk would be involved and no pattern set which would hamper the establishment of a general régime under which an international agency would have effective control of critical materials. Dulles made no attempt to give any final expression of the attitude of the United States Government. He contented himself with pointing out the difficulties mentioned above, showing some interest in the development of some formula along the lines I had described.

6. Horsey was present at this interview and I took the opportunity afterwards of making quite sure that he understood our position as I have no doubt that the State Department will be reporting the result of this exchange to the Atomic Energy Commission. Heeny. Ends.

277.

DEA/11038-1-13-40

*La délégation auprès de la Conférence du Plan de Colombo
au secrétaire d'État aux Affaires extérieures*

*Delegation to Colombo Plan Conference
to Secretary of State for External Affairs*

TELEGRAM 10

Singapore, October 17, 1955

SECRET. IMMEDIATE.

VARIOUS ATOMIC PROJECTS

Following from the Minister: We do not foresee serious problem for us at this meeting in connection with the U.S. regional project. We are not being asked to co-sponsor and would not expect to have to comment beyond confirming the hope that these different ventures might complement each other and indicate our general desire to be cooperative within practical limits. We doubt necessity of any working party. In view of leak here regarding U.S. proposal and competition over location it seems clear they will have to determine site themselves and preferably include definite decision on this point in their announcement if they are to avoid provoking controversy which would undo any of the wholesome political effects of the project.

Regarding our own idea we propose to handle in terms of original press release from which we would not be justified in drawing back at this stage. We are aware of continuing difficulties in Washington talks on which the U.K. have been keeping us informed but we do not see these require any playdown of our proposed project. I can not imagine these difficulties will not be overcome by one side or the other giving a little and compromise being reached or by whole issue being deferred in hope it can more readily be resolved nearer to the time of the completion of the project especially if international agency in being by then. U.S. would seem to have considerable reason to be accommodating in view of the importance of their own general relations with India countenanced by possibility that if we do not supply, Russians may and in view also of U.S. proposed project in this area which would be greatly strengthened by existence of our unit in India. Indians also would seem to have reason not [to] persist in objections of our terms. I would propose to bring out some of the relevant considerations as I see them in my talks later in New Delhi if this would fit in with your discussions with the U.S., and others.

In talks with Nehru and others I would propose to point out:

(a) our proposal would enable the Indians to acquire powerful and versatile reactor on most economical possible terms which is not unimportant, in view of problem of finding resources for their economic development programme;

(b) proposed U.S. centre elsewhere in the area might reasonably make the Indians more anxious than before to have our advanced type of unit on their territory;

(c) we have shown our confidence in India by offering them this kind of reactor;

(d) they should now show at least some trust in us and be ready to rely on us to release adequate quantity of plutonium and other products (to reassure them somewhat perhaps we might try to reach agreement now on minimum quantities of these materials which would be returned to them);

(e) they should share our interests, not prejudice prospects, for establishment of an international agency which would be able to exercise effectively the kind of control which India

would undoubtedly wish to see applied to other countries (in this connection we have always envisaged that our suggested conditions would be reviewed later and brought in line with agency's rules).

Please let me know in New Delhi whether this approach would be suitable and useful.

278.

DEA/11038-1-13-40

*Le secrétaire d'État aux Affaires extérieures
à la délégation auprès de la Conférence du Plan de Colombo*

*Secretary of State for External Affairs
to Delegation to Colombo Plan Conference*

TELEGRAM E-26

Ottawa, October 18, 1955

CONFIDENTIAL. IMMEDIATE.

Reference: Your telegram No. 10 of October 17th.

VARIOUS ATOMIC PROJECTS

Following for the Minister: This morning I met with Bennett and Bryce to discuss the results of Bennett's discussions in Washington with the Atomic Energy Commission and Heeney's interview with Dulles.

2. Your telegram No. 10 was most helpful to us and it is our intention to recommend to the Prime Minister that he should send a message to Mr. Nehru suggesting that you should discuss these questions when you visit New Delhi. Because decisions concerning the provision of fuel for the reactor and the disposal of its byproducts are so intimately connected with the prospects for the establishment of an effective system of international control we expect that the Prime Minister's message will recommend that they be discussed in that context.

3. As requested by you I shall send you in New Delhi my comments on the approach which you suggest should be made to Mr. Nehru. I assume that at the time you sent your message you had not had an opportunity to see telegram No. 1744 from Washington (which was repeated as No. E-23 to Singapore) reporting on Heeney's conversations with Dulles. I understand from the United Kingdom High Commissioner here that the Foreign Office has instructed their Delegation in Singapore to show you copies of their exchange with Washington concerning the conversations between Bennett, Plowden and Strauss last week. You will be particularly interested in the Foreign Office telegram No. 4698 to Washington of October 14th.

4. You may consider it desirable to take Ritchie with you to New Delhi for these discussions. He is fully familiar with the background of the discussions which preceded Dr. Bhabha's visit to Ottawa.

5. In addition to the comments on your telegram No. 10 we will send to New Delhi a summary of the most recent developments in New York and elsewhere concerning the creation of an international agency. If you agree that Ritchie should accompany you to New Delhi you may wish to have him reach New Delhi a few days before you so that he will have an opportunity to study these messages before your arrival. Léger.

279.

DEA/11038-1-13-40

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

TELEGRAM E-704

Ottawa, October 21, 1955

CONFIDENTIAL. IMMEDIATE.

Repeat London E-1748; Washington E-1799; Singapore E-38; Permdel E-459.

1. Would you please convey to Prime Minister Nehru the text of the following message from Mr. St. Laurent.

Text Begins

I am sure you have been interested to learn, as I have, that our officials have completed their discussions with Dr. Bhabha and his associates concerning the arrangements to provide an NRX reactor to India under the Colombo Plan. I understand that the officials have reached general agreement on the financial and technical aspects of the project, apart from one point I will note, and we have now put in hand the design and engineering work that will be necessary.

One important point of policy has arisen out of these discussions which appears likely to affect the future pattern of relations between other countries on matters of this kind. The arrangements we make concerning the provision of the fuel elements and the disposal of the byproducts in them are likely to constitute an important precedent which will influence the policy of the international agency now being established. There should be no difficulty in arranging this matter as between ourselves but we also have to consider the principles involved in the broader context.

With this in mind, I would like to suggest to you that Mr. Pearson might discuss this aspect of the matter with you when he visits New Delhi early in November. I should hope that by then Dr. Bhabha would have returned to India and you would have had an opportunity to review the subject with him.

The widespread interest which this project has aroused in the public of both our countries has strengthened my conviction that we are cooperating in a most promising endeavour towards the peaceful application of atomic energy. Text ends.

2. Our views concerning the points which the Minister may desire to raise during these discussions are being sent in a separate telegram. I hope they will reach you in time for you to take them with you to Calcutta to discuss with the Minister on his arrival.

280.

DEA/11038-1-13-40

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

*Secretary of State for External Affairs
to High Commissioner in India*

TELEGRAM DL-709

Ottawa, October 24, 1955

SECRET. IMPORTANT.

NRX REACTOR FOR INDIA

Following for the Minister on arrival. Developments since you left Canada have emphasized the close relationship between the problem of supplying fuel for the Indian reactor, and the prospective role of the International Atomic Energy Agency as a device for ensuring that fissile materials made available by one nation to another for peaceful purposes will not be diverted to the production of weapons.

2. All the great powers are concerned about the possibility that smaller countries with unstable governments might come into possession of atomic weapons. For this reason the possibility of using the agency as a control mechanism is one of its most attractive features, not only to the Western atomic powers but also, apparently, to the Soviet Union. As you know, this question was discussed in some detail at a six-power meeting in Geneva last summer. It now appears that the price of assistance through the agency will be the acceptance of a control system consisting of strict accounting and inspection procedures, coupled with a requirement that irradiated fuel elements be processed either in a plant belonging to the agency itself or that of a donor country. Every effort will be made to discourage countries not already possessing processing plants from building them. The draft statute for the agency provides a framework to make such a policy possible.⁴¹ It does not specifically preclude the transfer of title of fissile material to a receiving country, but it does give the agency authority to demand the return of any material it has supplied. We shall comment further on the processing problem in a separate telegram.

3. The development by the agency of the principles described above into a practical system of control is clearly going to be a most difficult task. Under these circumstances it is most important that on the very eve of the agency's creation we do not make any bilateral agreement establishing an important precedent which would seriously compromise the basic concept of agency control. We would be doing just that if, at this time, we accepted the Indian position that it must have clear and absolute title to the fuel charge for the NRX reactor.

4. You will have seen from Heeney's reports on the Bennett-Plowden-Strauss discussions and his subsequent conversation with Dulles that the problem outlined above is regarded as serious both by the United Kingdom and the United States. We believe that their concern with the importance of the NRX reactor project as a precedent is genuine and that they are not trying to obstruct it. Strauss, for his part, is apparently quite willing to supply India with the heavy water for the reactor.

5. You will also have seen telegram No. 1396 of October 15 from the Foreign Office suggesting a compromise proposal and putting forward the view that an approach to Nehru

⁴¹ Voir/See United States, Department of State, *Bulletin*, Volume XXXIII, No. 852, October 24, 1955, pp. 666-672.

would be justified. It may be useful for you to know the background of the United Kingdom-Indian arrangements referred to in paragraph 3 of the telegram. Plowden had originally intended to sell 10 kilograms of enriched uranium to Bhabha, but subsequently realizing the problem this would create he changed the offer to a lease only. The United Kingdom-Indian agreement includes a statement to the effect that the terms of the arrangement will be *reported* to the agency when established. It does not provide either for a review of the arrangement in the light of agency procedures or for consideration of the possibility of putting the arrangement under the aegis of the agency.

6. I discussed our problem with Bennett and Bryce and later with the Prime Minister and we agreed that there is no point in pursuing the issue further with Bhabha, who in any event is returning to India in the next few days. It seemed to us that the most useful move would be for you to discuss the situation with Nehru. For this reason the Prime Minister sent a telegram (which you will have seen) to Nehru proposing such discussions.

7. In view of the considerations set out above, we suggest that you might wish to discuss the matter with Nehru in the following terms:

(1) Canada believes that India will rapidly become a major atomic power and therefore appreciates the reasons for India's desire to have clear title to the fuel charge for the NRX reactor. Canada recognizes, moreover, that India could produce its own uranium and establish its own processing facilities;

(2) At the same time both Canada and India as responsible nations are morally obligated to do everything in their power to ensure that the international agency, when set up will be able to establish effective safeguards to prevent the diversion of fissile material made available for peaceful purposes to the production of weapons;

(3) Although it is clearly understood between Canada and India that the NRX reactor project is for peaceful purposes only, nevertheless the arrangements for the provision of the fuel charge will establish an important precedent which other less responsible nations will take full account of, and which undoubtedly will influence the procedures adopted by the agency;

(4) For these reasons, the Canadian Government earnestly hopes that the Government of India will share its views that it would be unwise to make a firm agreement at this time as to the basis on which the fuel charge for the reactor should be provided. We hope the Government of India will agree that it would be wiser, pending the establishment of the international agency, to proceed on an interim arrangement whereby Canada would lend the fuel charge for the reactor to India and in due course would extract the plutonium from the irradiated rods and lend this plutonium to India for its research programme. As soon as the international agency was functioning effectively, the arrangement would be recast and made firm in accordance with the principles established by the agency;

(5) In actual fact, we have every confidence that the agency will be in operation long before the reactor is completed and that accordingly the interim arrangement proposed above will not have to be implemented. However, at this moment the agency does not exist and it is most important that we take no action which might prejudice the delicate negotiations now under way which we hope will lead to the successful establishment of the agency. In the meantime it is necessary for us to reach an understanding on supply of fuel for the reactor in order that the project can advance as rapidly as possible. The Canadian Government, therefore, hopes that the Indian Government will be willing as an interim measure to accept the arrangement described above.

[J.] LÉGER

281.

DEA/11038-1-13-40

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

*Secretary of State for External Affairs
to High Commissioner in India*

TELEGRAM DL-721

Ottawa, October 27, 1955

SECRET. IMPORTANT.

Reference: My telegram No. DL-709 of October 24.
Repeat Permdel DL-89; Washington DL-1824.

ATOMIC REACTOR

Following for the Minister on arrival. In telegram No. 16 of October 21† from Singapore you asked if authorities in Ottawa shared Strauss' concern at "risk" Indians might develop own processing facilities if they retained used fuel.

2. Experts are agreed that the processing plant is the key point for a control system. Before it goes into a reactor, uranium can be kept track of by a relatively simple accounting procedure. When it is in the reactor it is in a kind of vault which makes it inaccessible. But when the irradiated fuel charge goes to the processing plant the control problem becomes much more complex. First, it is at this point that the material ceases to be a discrete mass; second, the processing system is not completely efficient so that there are "losses" of fissile material which are difficult to account for; thirdly, it is here, for the first time, that material which could be used in weapons is obtainable.

3. An important related fact is that for the production of electric power from atomic reactors at an economic rate, processing plants should be built on the basis of not more than one plant per million kilowatts. In other words, processing plants on a national basis will not be justified economically for many years in most countries.

4. It is for this combination of reasons that the United States and the United Kingdom are hopeful that through the mechanism of the agency it will be possible to deter the establishment of processing plants by nations not now having them. Instead, processing would be carried out in plants operated by the agency or by countries already possessing them. The Soviet attitude at the six-power meeting in Geneva last summer would suggest that it too is attracted by such a scheme.

5. There is room for argument that a control system of the type envisaged is of questionable value since it is so vulnerable. National aspirations could lead many countries, India among them, to develop low-grade ore bodies and establish uneconomic refining and processing facilities. Even if the control system is established, it is liable to be overwhelmed when atomic power becomes general and fissile materials are being produced in large quantities throughout the world.

6. Nevertheless, there is general agreement among the atomic authorities, in Canada as well as in the United States and United Kingdom, that the dangerous situation which would arise if there were no control system would be so serious that every effort must be made to develop such a system while the problem is still small enough to cope with. Furthermore, it is not unreasonable to hope that control procedures established under the aegis of the agency would set a pattern which would continue to be followed by member nations

even though any sanctions which could be invoked by the agency might have ceased to be effective.

7. In the light of the circumstances described above it is clearly most important for us to convince the Indians that we must avoid establishing any precedents at this time which might jeopardize the possibility of an effective control system. This task is made more difficult by the uncertainty of the Indian position on the control question. Bhabha (in conversations with Canadian officials) and the Indian delegation to the General Assembly, have both expressed agreement with the view that it is necessary to ensure that the facilities of the agency, and fissile material placed at its disposal, are not diverted to other than peaceful purposes. But Bhabha also told Bennett that India wanted clear title to the fuel charge for the NRX reactor so that it could do its own processing, and when pressed admitted that the reasons for so doing were entirely political. Bhabha also asserted that India would only accept an agency control system if it applied to all nations, including the United States, the Soviet Union, and the United Kingdom. It is to be hoped that Bhabha's assertions do not reflect unalterable views held by Nehru.

[J.] LÉGER

282.

DEA/11038-1-13-40

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

*Secretary of State for External Affairs
to High Commissioner in India*

TELEGRAM DL-734

Ottawa, October 31, 1955

SECRET. IMPORTANT.

Reference: My DL-721 of October 27.

Repeat Permdel DL-98; Washington DL-1846.

ATOMIC REACTOR

Following for the Minister on arrival. Since sending you my message under reference I thought you should know that we received a message† from Mr. Martin reporting conversations which he had with Bennett and MacKay. Bennett has reported that Admiral Strauss holds the Canadian delegation primarily responsible for the concessions made to the Indian views regarding the draft resolution on the agency. Although this is not borne out by the facts, certain United States authorities have expressed concern about what they regard as excessive concessions to India.

2. Apparently even Menon feels that our delegation was helpful to him during the negotiations on the U.N. resolution.

3. Both our delegation, New York, and our Embassy in Washington now feel that we should take a strong line in the negotiations regarding the reactor. Mr. Martin assured Bennett that he would urge upon you "to take a strong position" in your talks with the Indians concerning the reactor in New Delhi, because "we have in this particular instance been most cooperative with their delegation here" i.e. in New York.

[J.] LÉGER

283.

DEA/11038-1-13-40

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

*High Commissioner in India
to Secretary of State for External Affairs*

TELEGRAM 771

New Delhi, November 9, 1955

SECRET. IMMEDIATE.

Reference: Our tel No. 767 of November 8.†

MINISTER'S VISIT: CIR PROJECT

The Minister brought up the difficulties concerning the reactor project at this first meeting with Mister Nehru on November 4. Nehru immediately requested Bhabha to join us and the Minister and Bhabha had a talk in which Nehru did not participate. Nehru made clear that he had complete confidence in Bhabha and that any agreement we could reach with Bhabha would be satisfactory to him. At this suggestion, the Minister and I had a meeting with Bhabha on November 5.

2. In order to avoid misunderstanding on a matter on which neither of us are experts, the Minister gave Bhabha an informal memorandum reproducing paragraph seven of your telegram DL-709 of October 27.

3. Bhabha said that the difficulties which we were having in reaching agreement over the reactor project reflected differences of opinion on the powers of the proposed International Atomic Energy Agency. He therefore gave us an informal memorandum setting forth the Indian views on the subject. The text is given in my immediately following telegram.†

4. The argument in the memorandum is that it will be impossible for the International Agency to prevent nations from owning their own fissile material unless "all nations are prepared to surrender such ownership to the Agency". It is further contended that this is not feasible at present nor is it necessary since an international agency can operate an inspection and control system which can ensure that no nation can clandestinely organize major production of atomic weapons and the clandestine manufacture of a few atomic weapons cannot be considered of any military significance in the international context.

5. Bhabha went on to say:

(a) India is now processing 1,500 tons of monazite a year for the purpose of producing thorium. A by product is the production of four and one half tons of uranium salt. India is contemplating doubling the production of thorium. This would give them nine tons of uranium salt per annum.

(b) About a year ago India was on the point of taking a decision to set up a small plant on the solvent extraction process which could purify the uranium and then process it into billets. This would produce almost exactly the amount of rods required for the research reactor.

(c) There is also in India low-grade uranium ore which, if developed, could produce 100 tons of concentrate at cost of between 10 dollars and 15 dollars a pound. India, however, does not wish to have to develop this low-grade ore since it assumes it would be cheaper in the long run to purchase its requirements of uranium from Canada.

(d) If India were to go ahead with the pilot plant, it could send the billets to Canada for rolling into rods.

(e) India has decided to set up a plant for converting 100 tons of uranium ore concentrate per annum to metal for use in reactors. The plant will be built in two stages. A pilot plant will be set up immediately to produce about 10 tons of metal per annum by the solvent extraction process. In the meantime the details of a 100 ton plant using the ion exchange process are being studied.

(f) Thus, if Canada continues to believe that provision by Canada of the fuel element in a way satisfactory to India would establish an undesirable precedent for the International Agency, India could itself provide the fuel element.

6. (The above paragraph contains secret information on India's atomic energy programme. Bhabha stated that the Indian programme is being constantly revised and the information set forth above may differ from that given Bennett.)

7. The Minister and I confessed that we were [out] of our depth in a discussion of this nature but we indicated that we were impressed by Bhabha's arguments. The Minister, however, frankly stated that unless United States misgivings were removed, Canada could be put in a most difficult position because of its dependence on the United States market for Canadian uranium and the commitments the Canadian Government had made to the Canadian uranium industry. He hoped that we would shortly be able to reach complete agreement with India on the reactor project but he assured Nehru and Bhabha that inability to reach such agreement would not (repeat not) hold up initiation of the project.

8. Bhabha likewise insisted that India had no desire to injure its relations with the United States on atomic energy matters. These relations were excellent.

9. Bhabha's tentative suggestion is that the Canada-India agreement should contain no clause relating to the provision of a fuel charge. The agreement should be silent on this point. The rods will not be needed until about three months before the completion of the project — i.e. about two years from now. In Bhabha's opinion, long before this two year period is up we will know whether there is going to be an International Atomic Agency and what the powers of this agency will be.

10. This means that the agreement would not contain what you have called "an interim arrangement" on the fuel charge. It could therefore be argued that the agreement would not establish any precedent which would affect the principles or procedures of the International Agency.

11. I had hoped that one of Bhabha's men who is going to the United States shortly for discussions on the International Agency could represent him in discussions in Ottawa on the Canada-India Agreement. Bhabha informed me yesterday, however, just before his return to Bombay, that this man would not be competent for Ottawa discussions. Therefore the discussions will have to take place with Bhabha himself either through me or the Indian High Commissioner in Ottawa.⁴²

[E.] REID

⁴² Pour un compte rendu général de la visite de Pearson à Nehru, voir le document 293.
For a general report on Pearson's visit with Nehru, see Document 293.

284.

DEA/11038-1-13-40

*Note*⁴³*Memorandum*⁴³

CONFIDENTIAL

[Ottawa], November 21, 1955

PROVISION OF FUEL FOR THE CANADA-INDIA REACTOR PROJECT

During the discussions which Mr. Pearson had in New Delhi with the Indian Prime Minister, Mr. Nehru did not seem to be disposed to deviate from the position which Dr. Bhabha took in Ottawa concerning the arrangements for the provision of fuel for the NRX reactor. In fact, Mr. Nehru did not actively participate in these discussions.

We did not make much headway with our suggestion that title should not pass to the Indians because transfer of ownership might create a precedent that could jeopardize the future of the international agency. The discussions in New Delhi revealed that the Indians are still opposed to committing themselves to an arrangement which might obligate them to accept at a later date a control system imposed by the agency which was not equally applicable to the present atomic powers. What is not clear, of course, is whether India's intransigence would be maintained if it became apparent that she would be admitted on a basis bringing her nearer to the inner circle of an international agency.

Dr. Bhabha suggested in New Delhi that the agreement which should be reached at this stage for the project should contain no clause relating to the provision of the fuel charge and that some understanding on this aspect could be reached before the project is completed towards the end of 1957. He suggested that since the agreement would not contain an interim arrangement for fuel it could be argued that the agreement would not establish any precedent which would affect the principles or procedures of the international agency.

It is obvious that we cannot delay determining under what arrangement we would be prepared to proceed, since work must begin immediately on the site in India, if a full construction season is not to be missed.

On the basis of what we have learned in these negotiations there would appear to be two alternative courses which Canada might pursue. We can either accept Dr. Bhabha's proposal with some modifications that will be suggested later in this memorandum or we can seek, either independently or in conjunction with other Commonwealth powers, to persuade the Indians into accepting an arrangement at this time, which would stipulate that Canada would retain title until such time as the future of the agency was settled. The latter course itself offers two possibilities in that the Indians might either reluctantly give into our pressure or they might decide to reject the project.

It is worth examining in some detail the various political, security and economic considerations which may be involved in each of these alternatives. In such an examination of the various alternatives it would seem desirable to have in mind such considerations as the following:

- (a) consequences for international security;
- (b) the effect on the prospects for an international control agency;
- (c) possible repercussions on U.S.-Canadian co-operation in the atomic energy field;
- (d) effect on relations of India (and other Colombo Plan countries) with Canada and West generally;

⁴³ Cette note ministérielle a été remise à Pearson./This departmental memorandum was given to Pearson.

(e) importance of early progress in atomic energy to economic development of Colombo Plan countries in Asia;

(f) effect on domestic public opinion in Canada; and

(g) consequences for future Canadian commercial possibilities in the atomic energy field.

If we press India and she decides not to accept our offer because she feels that this might inhibit her own freedom to negotiate concerning the agency or because she feels that her national pride is involved in the question of ownership, we face the risk of grave political consequences. This might have the most serious consequences for Canadian—Indian relations and India's relations generally with the West. It would be hard to imagine that the U.S.S.R. would not take advantage of this to make an offer themselves from which they could reap considerable political benefit and propaganda. In fact, it may not be unfair to assume that the U.S.S.R. may make an offer to help India in the atomic field when Khrushchev and Bulganin are in New Delhi. If the Canadian offer stands, an offer from the Soviet would put the West a little on its mettle and any Soviet project might be neutralized. However, if our project were to fail, the U.S.S.R. could have a field day.

A decision by India to withdraw from the project at the present time would also have very serious repercussions on the negotiations for an international agency. It would almost certainly have the effect of pushing India into a more stubborn position as regards the agency and the net effect (on India and others) would be unlikely to be helpful during the crucial period of agency negotiations over the next few months.

A breakdown of the project at the present time would also have some serious consequences as far as opinion in Canada is concerned. This project has been acclaimed by the press as an imaginative undertaking and it has helped to meet some of the criticism that Canada was not playing its full part in helping the economic development of South and Southeast Asia. The Colombo Plan is closely associated in the public mind with the Commonwealth and with holding back Communism in Asia and if this project were to fail and the U.S.S.R. were to move in on such a project in India, Canadian public opinion is certain to be greatly disturbed. Moreover, in Canada increasing pressure is being exerted on the government to look for new markets for uranium. The commercial aspects of our reactor project has not escaped a number of observers, particularly those in the industry and there is bound to be great disappointment if potential commercial possibilities in South and Southeast Asia should suddenly appear to be closed off to Canadian interests.

There is, of course, a possibility that Mr. Nehru, who kept himself somewhat detached from earlier discussions, might respond to pressure to accept our original proposal. However, on the basis of the Minister's reports, from the discussions that were held in Ottawa with Dr. Bhabha and from what we know of India's motives, it is reasonable to suggest that chances of reaching agreement on the basis of the Canadian proposal are very slight.

If we decide not to press our original proposal and we accept India's suggestion that the arrangements for the provision of fuel be left undetermined at this time, there are obviously substantial dangers, most of which Mr. Heeney has referred to in his telegram 1897.† While our political relations with India might benefit, our relations with the U.S. in the atomic field might be strained. There, of course, is also the danger that as the project reaches a stage when we would have to settle the fuel question, an agency may have come into being to which we were committed but India was not. In these circumstances, we would have no alternative but to stipulate that the fuel be provided to India on terms which were in accordance with the agency. The Indians might not be disposed to accept these terms and we would then be faced with the position where we had built an expensive reactor for which some other country might have to supply the fuel. However, for any agency to be able to exercise effective control, it would be necessary for the U.S.S.R. and all the other potential major suppliers to be members. In these circumstances, India might

have to acquiesce and accept fuel from us on the terms of the agency since there would really be no alternative source accessible to her on less restrictive terms.

If the issue of the fuel were left open and an effective agency had not come into being by the time that the project was completed then presumably Canada should be in as good a position as any other country, including the U.S.S.R., to supply the fuel in an atomic free-for-all.

If we do not insist on a firm arrangement being made now but go ahead with the project, the Indians might feel that they had us at their mercy. They might then think that we would be more or less bound to support them in their position with regard to the agency negotiations. However, we should be able to resist this pressure if we made it clear that we could never agree to provide fuel under any terms that would not be in keeping with the obligations we may assume under the agency.

We can expect that there will be some resistance on the part of the United States Atomic Energy Commission to a formula which would leave the supply of fuel undecided at this stage. However, we suspect that the United States may shortly be pressed from within and by other atomic powers to take a more liberal view of the supply of uranium. In fact, their offer to establish an atomic centre in the Colombo Plan area means that they themselves will have to find a realistic formula for the provision of fuel for this power reactor. It is, therefore, reasonable to hope that the United States and Canadian thinking will move along together in determining a solution to this problem and that chances for finding an acceptable formula will be better at some stage over the next couple of years.

It can be assumed that the largest part of the United States objections to the Indian compromise would be based on security considerations. However, India indicated a willingness to give an undertaking that this reactor and any fuel supplied for it would be used only for the peaceful application of atomic energy. It is not asking too much that the United States Government should assume that Canada as a responsible power would not undertake any arrangement when the time comes for the supply of fuel to India which might be questioned on security grounds. In any event, within a few years and quite apart from possible assistance from the U.S.S.R., India would be in a position to build her own reactor (particularly since the NRX reactor and considerable related data are on the unclassified list) and possibly produce her own fuel. It is, therefore, unrealistic to represent that there are any basic or substantial new security risks involved in our project. In fact, when India becomes an atomic power, as inevitably she will, the relationship which has by then been built up between the West and India in the atomic field will be the only real guarantee of security. Canadian assistance at this early stage of India's atomic development, in keeping with the objectives of the Colombo Plan, would help them to benefit from the peaceful use of atomic energy earlier than might otherwise have been possible and should enhance the chances for future co-operation and understanding in this field.

The proposal suggested by Dr. Bhabha in New Delhi has obvious disadvantages but it is not beyond modification which might put it into a form which would still be acceptable to India and which might reduce substantially Canadian objections. We might agree to accept the basic Indian premise that agreement on the way in which the fuel should be provided will be determined at a later date, before the construction of the reactor is finished. We might suggest that a general reference in the present agreement should be made to the provision of the fuel along the following lines:

(a) when the reactor is ready to operate, Canada should be given the first refusal rights by India for the supply of fuel;

(b) we will not be under any obligation to supply fuel under terms which might not be in keeping with any obligations we may accept under an international agency; and

(c) the financial arrangements for the supply of the fuel will be worked out in a way which would be compatible with the Colombo Plan.

A proposal on these lines would leave it open for India to seek the fuel elsewhere if they could not come to a satisfactory agreement with us. However, we would have respected our commitments concerning the principles of the international agency and we would have made every effort to safeguard the security aspects of the operation. For reasons explained earlier in this memorandum if an agency was in existence or seemed imminent Canada is almost certain to be the source of supply for fuel. If no agency were in prospect, Canada would be at least as free as any other country to provide fuel.

It is apparent that whatever course is followed some risk will be involved. In fact, a few months ago very grave risks were involved if Canada and the West had not taken the initiative to help India and the Colombo Plan countries generally in the development of atomic energy. Of the courses now open to us the greatest risk lies in the danger that this project may fail immediately unless we are able to work out a satisfactory understanding with India. The compromise suggested in the previous paragraph offers perhaps the greatest number of advantages and the fewest risks of all the possible courses open to us.

285.

PCO

*Note du secrétaire d'État aux Affaires extérieures
pour le Cabinet*

*Memorandum from Secretary of State for External Affairs
to Cabinet*

CABINET DOCUMENT 239-55

[Ottawa], December 5, 1955

SECRET

PROVISION BY CANADA OF AN NRX ATOMIC REACTOR TO INDIA
UNDER THE COLOMBO PLAN

It would seem desirable to outline the developments which have taken place over the past few months in connection with the Canadian proposal to provide an NRX atomic research reactor to India under the Colombo Plan.

In accordance with the decision taken by Cabinet at its meeting on July 11th, the Prime Minister in a message to Mr. Nehru redefined the Canadian offer of an NRX reactor which had been originally made to India earlier in the year. In this message Mr. St. Laurent made it clear that although the reactor would be provided within the framework of the Colombo Plan, the project would be financed in such a way that the regular amount of funds available for conventional Colombo Plan projects in India and other countries in the area would remain virtually unchanged.

On September 2nd, Mr. Nehru formally accepted the offer from Canada on behalf of his Government and the two governments jointly announced this project to the public on September 16th. The announcement reiterated Mr. Nehru's undertaking that in accepting the offer, his Government would be prepared to allow accredited foreign scientists, including

those from other Colombo Plan countries in South and South-east Asia to use the facilities which will be available at the atomic energy centre in India where the reactor will be located.

Subsequently, Dr. Bhabha, Chairman of the Indian Atomic Energy Commission, came to Ottawa to discuss in detail the arrangements under which this reactor would be provided to India. Agreement was reached on technical details and a timetable was established for the project which calls for its completion by the end of 1957.

During these discussions tentative agreement was also reached at the official level concerning the financial aspects of the project. In determining an estimate for the cost of this project a figure of \$7 million was mentioned as the amount which might be required to meet the Canadian costs of this project. Local costs which would normally be the responsibility of India were estimated at the rupee equivalent to \$6 million. Canadian officials informed Dr. Bhabha that on the basis of the previous decision which had been taken by Cabinet, Canada would not necessarily expect to stick rigidly to the \$7 million ceiling if it turned out that external costs exceeded this amount. Dr. Bhabha was also informed that Canada would be prepared to consider the allocation of existing counterpart funds to help India finance the local costs.

The discussions with Dr. Bhabha did not resolve the question of how the fuel element should be provided for the reactor. The manner in which the fuel elements are provided and later reprocessed has a bearing upon the international arrangement for the control of fissile materials.

It was initially proposed by Canadian officials that the fuel element required for the reactor and replacement for a three-year period would in effect be leased by Canada to India. According to this formula the irradiated rods which would have been used in the reactor would be returned to Canada where plutonium and other byproducts would be extracted; it is, of course, the plutonium and other byproducts which are fissile materials and can be used in the production of bombs as well as for peaceful purposes. Such byproducts as India might require for its research programme would be returned to India. Dr. Bhabha resisted any arrangement which would not give India complete ownership and control of the fuel element and byproducts. He based his opposition on the desire of India to establish its own processing plant but later revealed his objections were largely of a political nature in so far as it might reflect on India if they were not granted ownership of these fissile materials. However, he emphasized that his government was prepared to give an undertaking that the reactor and any fuel supplied for it would be used only for the peaceful development of atomic energy.

There is a close relationship between the problem of supplying fuel for the Indian reactor and the prospective role of the proposed international atomic energy agency. Because of the political implications, it was agreed that further discussions on this question should be deferred until I saw Mr. Nehru in New Delhi during my trip to South and Southeast Asia. It was considered important that on the eve of the international atomic energy agency's creation no bilateral agreement should be undertaken by Canada which would establish a precedent which might compromise the basic concept of agency control.

During my visit to New Delhi I raised the fuel question with the Prime Minister and discussed it with Dr. Bhabha. It was suggested to me by the latter that because of the difficulty involved in reaching agreement at this stage on the provision of fuel the agreement which would be concluded at this time between Canada and India concerning the reactor should not specify any arrangement for fuel. Fuel for the reactor will not be needed until about three months before completion of the project, that is about two years from

now. It was also suggested that since our agreement would not contain an arrangement for fuel it could not be argued that it would establish any precedent which would affect the principles and procedures of the international agency.

This Indian proposal has now been examined very carefully on an interdepartmental basis by Canadian officials, and with some modifications suggested later in this memorandum they consider that it might be accepted. It has also been suggested to me, and I agree, that we should not delay in any way the construction or engineering plans for this project which are now well under way. In fact, construction work at the site in India is likely to begin early in January so that as much progress as possible will be made during the current construction season before the monsoons.

The intergovernmental discussions concerning the agency are likely to affect any final decision which we may take in connection with the provision of fuel for the reactor. At this stage, it is my inclination to recommend that we should proceed immediately to conclude a bilateral agreement with India for the reactor and that while this agreement would not specify the arrangements by which the fuel would eventually be provided, it would stipulate:

(a) the reactor and any products resulting from it will be used by India for peaceful purposes only;

(b) when the reactor is ready to operate, it is India's intention to turn to Canada for the supply of the fuel and it is Canada's intention to provide the fuel;

(c) arrangements for the provision of any fuel to India from Canada will be agreed upon by the two Governments; if an international agency acceptable to both Governments has come into being or is in prospect at that time, the terms of such agreement will be in keeping with the principles of that agency.⁴⁴

[L.B. PEARSON]

SECTION E

PAKISTAN

286.

PCO

*Note du secrétaire d'État aux Affaires extérieures
pour le Cabinet*

*Memorandum from Secretary of State for External Affairs
to Cabinet*

CABINET DOCUMENT NO. 57-55

[Ottawa], March 16, 1955

CONFIDENTIAL

COLOMBO PLAN AID TO PAKISTAN — WARSAK HYDRO-ELECTRIC PROJECT

The Warsak project in Pakistan is designed to provide urgently needed hydro-electric energy for West Pakistan and to irrigate a major portion of the North West Frontier Province. This scheme has been thoroughly investigated by Canadian engineers and is considered to be highly suitable for assistance by Canada under the Colombo Plan from an

⁴⁴ Approuvé par le Cabinet, le 7 décembre 1955./Approved by Cabinet on December 7, 1955.

engineering point of view. A summary of earlier Cabinet decisions concerning the Warsak project, by which \$8.9 million in Canadian funds and 10 million in rupee counterpart funds have already been set aside, is contained in Annex I† to this submission. Following the Cabinet decision of March 26, 1953, (the first on Warsak), the Government of Pakistan was informed that additional allotments would be made for this project in subsequent years within the limits of the amount available to Pakistan out of funds appropriated by Parliament for Colombo Plan purposes.⁴⁵

2. The present submission requests authority for the allotment of an additional \$5.5 million to Warsak, from funds which would in any case be allocated to Pakistan, to meet the foreign exchange costs of the civil works contract for Warsak Dam and the construction machinery which would be necessary in that connection. A number of important developments since Cabinet last considered the Warsak project in April 1954 have made it necessary to consider the provision of this additional assistance.⁴⁶

3. In the first place, on November 11, 1954 the Canadian High Commissioner in Karachi formally signed on behalf of the Government of Canada, with the Minister of Finance for Pakistan on behalf of his government, a memorandum of agreement and exchange of notes setting forth in detail the responsibilities of the Canadian authorities, of the Canadian consulting engineers (H.G. Acres and Company), and of the Pakistan authorities. In this memorandum provision is made for supervision of the project until completed by the Canadian consulting engineers, in terms which are satisfactory to all concerned.

4. Secondly, H.G. Acres and Company after further investigation recommend that in order more fully to utilize the available potential at Warsak for satisfying the urgent power requirements of the area, the civil works should be prepared for an eventual installed capacity of 240,000 kilowatts (six 40,000 Kw. units) instead of the 150,000 kilowatts mentioned in the original submission to Cabinet. However it is clearly understood that as far as Canadian aid is concerned we will be expected to provide the generating equipment for the first 160,000 kilowatts (four units) only. The Canadian consulting engineers have also recommended changes in the design of the power house, proposing a concrete instead of a rock filled dam, and a surface instead of an underground power house as originally planned. Without any new commitments on the part of the Canadian Government these proposals have been considered by the Pakistan authorities who have approved them, principally on grounds of lower construction costs and increased potential for the generation of electric power.

5. Thirdly, the foreign exchange position of the Pakistan Government has become increasingly acute. Pakistan's dollar reserves have fallen to the lowest level in the country's history and the balance of payments deficit for 1954-55 is expected to be at least \$100 million. Reports received confidentially through the International Bank for Reconstruction and Development and through the High Commissioner for Canada in Karachi have stressed the seriousness of this situation. As a consequence the Pakistan authorities are not in a position to meet, as they had originally intended, the heavy foreign exchange costs of the construction contract for Warsak Dam even with the substantial Canada aid already voted for other parts of the project. Consequently a new proposal originated in Karachi during January 1955 by which Canada would assume responsibility for the foreign exchange costs of the contract for the civil works at Warsak and for the necessary heavy construction equipment which would have to be imported from abroad in addition to the undertakings which we have already given with respect to generating equipment, dam

⁴⁵ Voir/See Volume 19, Document 620.

⁴⁶ Voir/See Volume 20, Document 424.

gates, structural steel, light construction equipment and supervisory engineering services. This would constitute further aid for a particular project and would not imply a willingness on Canada's part to use Colombo Plan funds for general balance of payments relief. The Canadian consulting engineers have strongly recommended against allowing the contract for the civil works to be let to any existing firm of Pakistani contractors all of which are ill equipped and inexperienced, (this would be the only possibility if Canada were not prepared to finance this element of the project). Canadian officials support their view that for a development of this magnitude a competent and experienced construction firm from outside Pakistan should be engaged. It is proposed therefore that to cover these additional costs totalling \$5.5 million, the uncommitted \$2.5 million (this figure allows for the additional \$500,000 for Shadiwal recommended in another memorandum submitted to Cabinet today) of the funds now set aside for the Punjab hydro-electric installations as approved by Cabinet for the 1954-55 Canadian Colombo Plan programme in Pakistan be transferred to the Warsak project. The Pakistan authorities have indicated their agreement to such a transfer. This would leave a further \$3 million which would have to be met by transfer from funds already allocated to other projects in the 1954-55 programme, or from the 1955-56 Colombo Plan vote shortly to come before Parliament for approval.⁴⁷

6. This proposal would have substantial incidental advantages from the point of view of the efficiency of our Colombo Plan operations in Pakistan. It would also provide further employment for Canadian industrial skill, personnel and equipment in the construction industry. In addition the Pakistan Government would not have to be counted on to meet large foreign exchange expenditures, which to judge from the present position they would almost certainly find themselves unable to meet now or even at a later and possibly more difficult financial period. By appointing a Canadian contractor for the civil work we would also acquire further control over the development of the project and thus be better able to ensure its success. It has been ascertained that there are Canadian firms capable of undertaking this work.

7. The Pakistan authorities would still be expected to supply all local labour and material and to meet other rupee costs. In fact the Pakistan Government would be financing from their own resources about one-third of the total cost of Warsak even if the present proposals for an additional allocation of \$5.5 million are approved. It would appear that the Government of Pakistan will be able to finance these local costs from its domestic rupee resources.

8. After allowing for this present submission and taking into account previous allocations to Warsak there would still remain \$11.2 million which may be requested from the Canadian Government in the light of its earlier agreement to meet additional costs at Warsak if funds become available from Pakistan out of future Colombo Plan votes. This figure of \$11.2 million is an outside estimate including allowance for a small increase in the costs of the civil works to make it possible for them to accommodate an eventual generating capacity of 240,000 kilowatts, and \$2.5 million for cement, a large part of which the Pakistan authorities may be able to provide. Therefore the final total for additional Canadian aid to Warsak may be below this figure. The entire \$11.2 million could be financed out of the remainder of the Pakistan portion of past votes together with the normal Pakistan share of the 1955-56 vote if no other projects are undertaken.

⁴⁷ Voir/See Volume 20, Document 400.

Voir aussi Canada, Chambre des Communes, *Débats*, 1955, volume 6, p. 7005.

See also Canada, House of Commons, *Debates*, 1955, Volume 6, p. 6694.

9. It should be added however that Pakistan has indicated that it may wish Canada to proceed urgently with a project for construction of a high tension electric transmission link between Dacca and Chittagong in East Bengal at a cost of approximately \$4 million. While there has been no formal commitment to the Pakistani authorities to proceed with this project as authorized by Cabinet on April 29, 1954, extensive consultations have taken place with Pakistan, the International Bank and the FOA looking toward ultimate construction of the link.⁴⁸ This project, if undertaken, would necessitate spreading the additional expenditure expected on Warsak beyond the \$5.5 million covered by the present memorandum over the entire period of the Colombo Plan now scheduled to end on June 30, 1957. This would be consistent with the original Cabinet decision on Warsak and would have the advantage of permitting a more flexible Canadian Colombo Plan programme for Pakistan.

10. In short the whole of the possible future Canadian expenditures on Warsak could be financed out of past votes plus the vote for 1955-56; however, if it is decided to provide a further vote in 1956-57 (which is still within the 6 year period of the original Colombo Plan) it may well prove preferable to allocate some of that year's contribution to Warsak thus releasing some of the 1955-56 vote for other purposes.

Recommendation

With respect to the immediate problem of the construction contract it is recommended:

(a) that Cabinet approve the allocation of a further \$5.5 million to meet the foreign exchange costs of the contract and the equipment necessary for the construction of Warsak Dam, \$2.5 million to come from funds already set aside for the Punjab hydro-electric schemes and the remainder from funds to be voted in 1955-56 or from funds already earmarked but not definitely committed from earlier votes;

(b) that the contract for Warsak dam be let by the Canadian Government in accordance with established procedure for similar contracts in Canada. The firm selected must be capable of carrying out the project efficiently and economically and should employ a high proportion of Canadian personnel in key posts at the Warsak site in Pakistan. It is anticipated that the equipment to be purchased in Canada for the construction work would be of approximately 65 percent Canadian content.⁴⁹

L.B. PEARSON

287.

PCO

*Note du secrétaire d'État aux Affaires extérieures
pour le Cabinet*

*Memorandum from Secretary of State for External Affairs
to Cabinet*

CABINET DOCUMENT NO. 58-55

Ottawa, March 17, 1955

RESTRICTED

COLOMBO PLAN AID TO PAKISTAN — SHADIWAL

Cabinet approved on July 28, 1954 the allotment of \$2 million to the Shadiwal Hydro-electric project of the \$5 million which Cabinet has set aside in principle for electric power

⁴⁸ Voir/See Volume 20, Document 424.

⁴⁹ Approuvé par le Cabinet le 18 mars 1955./Approved by Cabinet on March 18, 1955.

development in the Punjab on July 29, 1954, as part of the 1954-55 programme for Pakistan.⁵⁰ This amount of \$2 million was intended to cover the cost of Canadian electric generating equipment, other materials and services required for the project, on the understanding that the Pakistan authorities would be responsible for the costs of the civil works including certain construction equipment.

2. Since Cabinet last considered Shadiwal it has been further investigated by H.G. Acres and Company, the Canadian consulting and supervising engineers for the project who have satisfied themselves on technical grounds that it is now possible to proceed with construction. However because of the cost of the necessary construction equipment and because of the severe shortage of foreign exchange currently being experienced by the Government of Pakistan, which is described in the separate memorandum submitted today regarding Warsak, the Pakistan authorities have advised us that they cannot meet the foreign exchange costs of the equipment which would be needed from outside sources for the construction of the civil works.

3. The Pakistan authorities have agreed to undertake through the Punjab Government department concerned the construction contract itself. This would be agreeable to Canadian officials and is approved by H.G. Acres and Company. The Shadiwal project, unlike Warsak, is relatively small and considered to be so similar to other schemes successfully undertaken by the Pakistan engineering departments that there would be no technical reasons why they could not complete the civil works satisfactorily and on schedule. However it has been estimated that an additional \$500,000 of Canadian aid to that already set aside for Shadiwal will be required to provide the necessary extra construction equipment available from Canadian sources in particular a well point system and concrete batching machinery. The provision of this additional aid would also promote greater efficiency through increased Canadian control over the entire project.

Recommendation

In view of the importance of the Shadiwal hydro-electric installation to the power system of the Punjab and to the plans which have been made for extending the irrigation systems of the area, it is recommended that Cabinet approve the allotment of a further \$500,000 to Shadiwal to meet the costs of construction equipment required for the civil works, thus making a total of \$2,300,000 assigned to this project, against the \$5 million already earmarked for Punjab power projects out of previous appropriations.⁵¹

L.B. PEARSON

⁵⁰ Voir/See Volume 20, Document 424.

⁵¹ Approuvé par le Cabinet le 18 mars 1955./Approved by Cabinet on March 18, 1955.

288.

PCO

*Note du secrétaire d'État aux Affaires extérieures
pour le Cabinet*

*Memorandum from Secretary of State for External Affairs
to Cabinet*

CABINET DOCUMENT NO. 112-55

Ottawa, May 24, 1955

SECRET

COLOMBO PLAN AID TO PAKISTAN

Dacca-Chittagong Interconnector Link

At its meeting on April 29, 1954, Cabinet agreed, subject to further technical investigation, that the Canadian Government should provide the electrical equipment and material required for the Dacca-Chittagong Interconnector Link in East Pakistan, together with engineering services to include all engineering, supervision of designs and drawings, supervision of installation and assistance to the Pakistan engineering authorities in the preparation of foundation of installation specifications.⁵² The estimated cost at that time for this equipment and these services was \$4 million and, in accordance with the decision of Cabinet, this amount has been set aside out of Colombo Plan moneys voted prior to the fiscal year 1955-56.

This project has now been investigated by Canadian engineers and Canadian officials have recently visited East Pakistan where they held discussions with the Pakistan authorities and with representatives of other aid-giving agencies interested in hydro-electric development in that area, including the United States FOA and the International Bank. In the light of their findings it is now considered that, in accordance with the conditions established in the Cabinet decision of April 29, the Canadian Government should provide assistance as soon as possible for this project and that the \$4 million already allocated in principle out of Colombo Plan funds voted prior to 1955-56 should be used for this purpose. It should be appreciated that the figure of \$4 million represents only a preliminary estimate and it is possible that the total external costs may exceed this figure before the project is completed. However, if additional funds are required for financing external costs of this project, expenditures could be arranged in such a way that no more than the \$4 million already earmarked would be required in 1955-56 and any balance could be met in 1956-57, subject, of course, to a vote of Colombo Plan funds next year by Parliament.

Warsak Hydro-Electric Project

In a memorandum dated March 16, 1955, sent to Cabinet in connection with the Warsak project, it was suggested that if the Dacca-Chittagong Link was undertaken the additional expenditures anticipated for Warsak should be spread over the period ending June 30, 1957. On the basis of this memorandum, Cabinet agreed at its meeting on March 18, 1955, that \$3 million from the 1955-56 Colombo Plan vote should be allocated to Warsak to meet the foreign exchange costs of the civil contract and the equipment necessary for the construction of the Warsak Dam. As explained in the memorandum to Cabinet dated March 16, there still remains approximately \$11.2 million in external costs to be financed before the completion of the entire Warsak project. This figure is an outside estimate and includes

⁵² Voir/See Volume 20, Document 424.

a contingency of \$2.5 million for cement, a large part of which it is hoped the Pakistan Government may be able to provide itself.

It is considered that \$4 million should now be allocated from the 1955-56 Colombo Plan vote to cover a portion of these remaining external costs which, as explained in the last paragraph, are estimated at a maximum of \$11.2 million. Assuming that there will be a further Colombo Plan vote in 1956-57 (which is still within the six year period of the original Colombo Plan), it would be possible to allocate some of that year's contribution to finance the remaining external costs at Warsak (estimated at \$7.2 million maximum). This would be consistent with the original Cabinet decision on Warsak and would leave room for the financing of any additional expenditures for the Dacca-Chittagong Link which might arise in 1956-57, as indicated in paragraph 2 above.

Other Projects for the 1955-56 Programme

On the basis that roughly the same proportion of the Colombo Plan vote as in previous years will be allocated to Pakistan in 1955-56, Canadian officials have been proceeding on the assumption that approximately \$9 million will be available for Colombo Plan expenditures in Pakistan this year. Of this amount, Cabinet has already authorized \$3 million for the civil contract and construction equipment at the Warsak Dam; and it is suggested in paragraph 4 above that another \$4 million should be allotted to Warsak out of 1955-56 funds. If this suggestion is approved, approximately \$2 million remains for other new projects in Pakistan this year.

Canadian officials are at present investigating a request from Pakistan that Canada should assist in the financing of a steam thermal plant at Khulna in East Pakistan, the external costs of which are in the order of \$2 million. After a more detailed investigation it is likely that a recommendation will be made to Cabinet that Canada should assist this project. If this project is approved, all of this year's funds for Pakistan would then be committed and the balance of the external costs at Warsak and at Dacca-Chittagong, which would be in the order of \$8-\$9 million, would be sufficient to absorb most of the funds which may be made available in 1956-57 if the Government decides to have a Colombo Plan vote in that year of approximately the same size as this year.

A number of other requests for assistance in 1955-56, totalling several million dollars, have been submitted to Canada by Pakistan. These include the provision of several short interconnector links, three separate thermal plants in addition to the one at Khulna referred to above, and a request for \$2 million in commodity assistance in the form of aluminum and copper or steel sheet. On the basis of the assumption set out above, there would be no funds in prospect for meeting any of these requests this year and the Pakistan Government have been so informed.

Recommendation

It is recommended:

(a) that Cabinet approve participation by Canada in the Dacca-Chittagong Interconnector Link and that the \$4 million already earmarked for this project should be employed for this purpose. If at a later stage further amounts are found to be necessary, the approval of Cabinet will be sought for an additional allocation to this project from subsequent votes;

(b) that the balance of the external costs of the Warsak project, estimated at a maximum of \$11.2 million, should be spread over the period up to the middle of 1957, subject to the

voting of funds by Parliament and that \$4 million of this amount be allocated from the 1955-56 vote.⁵³

L.B. PEARSON

289.

PCO

*Note du secrétaire d'État aux Affaires extérieures
pour le Cabinet*

*Memorandum from Secretary of State for External Affairs
to Cabinet*

CABINET DOCUMENT NO. 191-55

Ottawa, September 15, 1955

SECRET

COLOMBO PLAN AID TO PAKISTAN — WARSAK PROJECT

For the Warsak Project, Cabinet has approved the allocation from existing Colombo Plan funds of:

March 26, 1953	\$3,400,000	(Permanent Electrical Equipment)
Sept. 5, 1953	3,500,000	(Permanent Electrical Equipment)
April 29, 1954	2,000,000	(Engineering Services)
March 17, 1955	5,500,000	(Civil Contractor Fees and Salaries and Construction Plan)
May 25, 1955 [sic]	<u>4,000,000</u>	(Permanent Electrical Equipment)
	\$18,400,000	
Estimated balance of external costs	<u>— 7,200,000</u>	
		\$25,600,000

2. On the basis of estimates originally prepared by the Canadian consulting engineering company, H.G. Acres and Company, the total estimated external costs of the entire project was in the order of \$25.6 million of which approximately \$3 million represented the estimated cost of construction equipment and \$2.5 million was the estimated cost of the contractor's fees. The remainder of the original estimate given by the consulting engineers was made up of the fees of the consulting engineers, the cost of purchasing generating and electrical equipment required for an installation of 160,000 kilowatts, a small amount of light construction equipment, and a contingency of \$2.5 million for the purchase of cement in the event that Pakistan was unable for some reason at a later stage to provide cement. When authority was sought on May 24 for another allotment of funds for this project, it was indicated that approximately \$7.2 million remained to be allocated by Canada in later years if we were to continue participating through the duration of the project. It was understood that such an amount could be deducted from the normal allocation of Colombo Plan aid to Pakistan from funds which might be voted prior to June 30, 1957.

3. In addition to these external costs, the local costs payable in rupees, to be borne by the Pakistan Government were originally estimated by the Canadian consulting engineers at the equivalent of approximately \$24 million. (It was agreed that the counterpart equivalent in rupees resulting from an earlier gift of \$10 million in wheat to Pakistan was to be used to cover part of these local expenditures.)

⁵³ Approuvé par le Cabinet le 26 mai 1955./Approved by Cabinet on May 26, 1955.

4. Following the decision by Canada to assume responsibility for the civil construction work at this project, a Canadian contracting company, Angus Robertson Limited, was selected to undertake the construction work on the understanding that a contract would be negotiated after the contractor had made a detailed examination of the site and working conditions in Pakistan. Angus Robertson Limited have now completed this examination and they have submitted a revised estimate for the construction work which is set out in Appendix A.† This revised estimate actually represents a reduction in the original *total* cost of the project combining local and external costs. However, the *external* costs, which Canada has indicated its willingness in principle to assume, have increased by approximately \$11 million, largely resulting from a necessary shift from local to external costs of a number of items involved in the civil construction work. The most significant changes are the following:

(a) The 2.5 million provided for in the estimates of the consulting engineers for salaries and fees to the contractor has now been calculated at approximately \$5,370,00 by Angus Robertson Limited, primarily because of the need for more Canadian supervisory personnel than had originally been contemplated.

(b) An amount of \$900,000 was set aside in the estimates of the consulting engineers for indirect costs of construction. This is now estimated by Angus Robertson at \$1,980,000. This includes such items as transportation of personnel, medical equipment, field equipment instruments, etc.

(c) Only a limited amount of funds (\$690,000) were set aside in the initial estimates of *external costs* by the consulting engineers for providing materials such as explosives, fuel, steel and other materials required for the construction work. Most of these items were provided for in the estimates of the consulting engineers as local costs but a further investigation has disclosed that materials totalling over \$9 million will have to be paid for in dollars.

5. As explained in the memorandum sent to Cabinet on May 24, the amount which had originally been estimated as necessary to complete the Warsak Project (approximately \$7.2 million) would absorb the largest part of Pakistan's share of any Colombo Plan funds voted by Parliament in 1956-57 if that vote were to be roughly of the same magnitude as the 1955-56 vote. It is therefore apparent that the additional funds now required on the basis of the new estimates could only be found by either an increase in the size of the 1956-57 vote or by Cabinet agreeing in principle to spread the allocation of required funds over a period extending up to at least the end of the fiscal year 1957-58, rather than merely through 1956-57 as envisaged up to now. This further spreading of the costs might be desirable even if the total vote were to be increased, in order to leave room for other small projects over the next two years or so. (The question of the size of next year's total Colombo Plan contribution is discussed in a separate memorandum.)⁵⁴ Failing approval of either of the above two proposals, the only alternative would be to discontinue Canadian participation in other projects in Pakistan or reduce our participation in Warsak. Either of these latter courses would involve serious economic and political consequences for Pakistan and undoubtedly have an adverse affect on Canadian-Pakistan relations.

6. In view of the substantial increase in the estimated external cost of the civil construction work, it is considered that prior to the conclusion of a contract with Angus Robertson Limited, Cabinet should be consulted again on whether it is prepared to approve, in principle, Canada's acceptance of these additional external costs, based on the revised estimates,

⁵⁴ Voir/See Document 247.

on the understanding that the balance of the costs might be spread over the next two or three years. Since the Warsak Project is of major importance to the development of Pakistan's economy and since Canadian control of both the civil construction contract and the consulting engineers' contract seems essential to the rapid and efficient progress of this project, such a decision appears to be highly desirable. (Any suggestion that Canada might wish to shift the responsibility for the cost of the civil construction contract to Pakistan might force the latter, because of a serious shortage of foreign exchange, to award the construction contract to local Pakistan companies which are not regarded by the Canadian consulting engineers as being competent to carry out a project of this magnitude and importance. Moreover, it seems most unlikely that Pakistan would be able to meet the heavy foreign exchange expenditure which would be involved even if a domestic firm could be engaged).

7. The new estimates are based on the assumption that work could begin on the site this October and every effort is being made by the authorities of both Pakistan and Canada, as well as by the consulting engineers and by the Canadian contractor to ensure that this target is achieved. If, however, further delays were to prevent work beginning by October first, it is likely that the estimated costs (both local and external) would be further increased.

Recommendation

It is recommended that, in keeping with its original decision on the Warsak Project, the Canadian Government should:

- (a) agree, subject to appropriation of funds by Parliament, to meet the revised balance of the external cost of the Warsak Project, estimated at \$18.2 million,
- (b) agree that the financing of these costs may be spread over Colombo Plan funds which will become available up to the end of the fiscal year 1957-58,
- (c) proceed to conclude a contract for the civil construction work based on the estimates in Appendix A.⁵⁵

L.B. PEARSON

290.

PCO

*Note du secrétaire d'État par intérim aux Affaires extérieures
pour le Cabinet*

*Memorandum from Acting Secretary of State for External Affairs
to Cabinet*

CABINET DOCUMENT NO. 213-55

[Ottawa, n.d.]

SECRET

COLOMBO PLAN AID TO PAKISTAN — KHULNA PROJECT

In a memorandum dated May 24th, Cabinet was informed that Canadian officials were investigating the possibility that Canada might assist in the financing of a steam thermal plant at Khulna in East Pakistan, the external costs of which were estimated to be in the order of \$2 million. It was pointed out at that time that if this project were eventually

⁵⁵ Approuvé en principe par le Cabinet, le 16 septembre 1955./Approved in principle by Cabinet on September 16, 1955.

approved, all the 1955-56 funds for Pakistan would be committed (allocations totalling \$7 million had already been made to Warsaw from 1955-56 funds available to Pakistan).

At its meeting on September 17th, [sic] Cabinet agreed that Canada should assume the increase in external costs for the Warsaw project arising out of a revision of the estimates. The additional external costs in excess of the balance of \$7.2 million (which Cabinet had agreed on May 24th to finance out of funds becoming available before mid 1957) are to be spread over the next three years, subject, of course, to the vote by Parliament of Colombo Plan funds in those years. In view of the decision to spread these additional costs over a three-year period, sufficient funds (i.e. \$2 million) still remain from the 1955-56 allocation to Pakistan to enable Canada to provide assistance to the Khulna project.

The industrial programme planned for East Pakistan will demand power far in excess of what is now available. It is considered that the most economical addition to power in the Khulna area could be made through the erection of a steam thermal station.

Following a request to Canada for a steam thermal station, of 10,000 kilowatts capacity, Canadian officials learned that a steam thermal plant of a capacity of 20,000 kilowatts now in operation at Scarboro was shortly to be dismantled by the Ontario Hydro Electric Commission. This thermal plant which is still in excellent condition can be purchased for about \$1 million and it could be transported to Pakistan and re-erected at Khulna at a cost which would fall within the \$2 million originally estimated for the Khulna project. These estimates are considered to be firm. (At the time Khulna was originally proposed, it was not anticipated that a thermal station in excess of 10,000 kilowatts could be installed at the estimated cost of \$2 million). However, because the Scarboro plant is being dismantled in any case, the Ontario Hydro Electric Commission are prepared to sell at a greatly reduced price. As a result of investigations with East Pakistan authorities Canadian officials are satisfied that the full capacity of the Scarboro steam thermal plant (i.e. 20,000 kilowatts) would be readily absorbed by the increasing industrial needs of the Khulna area over the next few years.

The purchase of the Scarboro steam thermal plant and its subsequent re-erection in Khulna would be a relatively uncomplicated and economical project, which would make an important contribution to the development of power in East Pakistan.

Recommendation

It is recommended that the Canadian Government should agree to provide a steam thermal plant to Pakistan for erection at Khulna in East Pakistan. It is also recommended that authority be granted to enable the Colombo Plan administration to purchase the Scarboro thermal station and to make the necessary contract with a firm of Canadian engineers to provide for the design and supervision of the erection of this station at Khulna.

The total cost of this project (including the purchase of the Scarboro thermal station) which is estimated at \$2 million is to be financed from funds available to Pakistan for its regular allocation of aid in 1955-56.⁵⁶

[ROCH PINARD]

⁵⁶ Approuvé par le Cabinet le 19 octobre 1955./Approved by Cabinet on October 19, 1955.

3^e PARTIE/PART 3PAKISTAN : POSITION AU SEIN DU COMMONWEALTH
PAKISTAN: POSITION WITHIN THE COMMONWEALTH

291.

DEA/50312-40

*Le sous-secrétaire d'État aux Affaires extérieures
au haut-commissaire au Pakistan**Under-Secretary of State for External Affairs
to High Commissioner in Pakistan*

LETTER NO. K-65

Ottawa, January 28, 1955

SECRET

Reference: Your Telegram No. 24 of Jan. 26, 1955.† Position of Pakistan within the Commonwealth.

COMMONWEALTH PRIME MINISTERS' MEETING—1955

I attach for your own information only, a copy of the brief prepared for the Prime Minister on Pakistan's request to be accepted and recognized as a continuing member of the Commonwealth after it becomes a republic.

2. After this brief was prepared and approved, a message was received from the Secretary of State for Commonwealth Relations recounting a conversation he had with Mr. Mohammed Ali on January 21, in which he explained his intentions in respect of the Pakistan constitutional issue.⁵⁷ During a press conference in Ottawa on January 24, Mr. Mohammed Ali made these intentions public. A copy of Lord Swinton's message, and a covering memorandum to the Minister are appended to the brief.†

3. It is evident that Mr. Mohammed Ali is now in a position to give a firm timetable for the steps to be taken to introduce a republican form of government in Pakistan. The principal points are:

(a) A brief draft constitution containing only a minimum of provisions and providing for the appointment of a President is under preparation and will soon be ready.

(b) The Government of Pakistan will proceed with the establishment of a unitary government in West Pakistan within a few weeks.

(c) A Constituent Assembly composed of representatives of East and West Pakistan will meet this spring, possibly in April or May, to adopt the constitution.

(d) The constitution will provide for an interim period during which a President will function and a later period commencing in early 1956 when elections will be held for a central parliament in East and West Pakistan. The elections to the central parliament will either confirm the existing President or elect a new one.

⁵⁷ Lors de son entretien avec Lord Swinton, Mohammed Ali a confirmé son désir de voir la position future du Pakistan au sein du Commonwealth faire l'objet de discussions à la Réunion des premiers ministres. In his discussion with Lord Swinton, Mohammed Ali confirmed that he wished to have Pakistan's future position in the Commonwealth discussed at the Prime Ministers' Meeting.

(e) The constitution will contain definite dates for its coming into force, the appointment of the President, the duration of the interim period, and the date of the elections to the central parliament.

4. Mr. Mohammed Ali apparently intends to raise the whole issue at the Prime Ministers' Meeting and to obtain approval of Pakistan becoming a republic within the Commonwealth. He will make it clear that Pakistan repudiates any idea of neutrality and will be an active partner in defence. According to the Prime Minister, the great majority of the people of Pakistan want a republic and only a small minority want to leave the Commonwealth. Acceptance of a republican Pakistan as a continuing Commonwealth member now would strengthen public feeling in Pakistan for the Commonwealth.

T.H.W. READ
for Under-Secretary of State
for External Affairs

[PIÈCE JOINTE/ENCLOSURE]

Bref pour le premier ministre

Brief for Prime Minister

SECRET

[Ottawa], January 7, 1955

POSITION OF PAKISTAN WITHIN THE COMMONWEALTH

Summary

This paper reviews developments in connection with Pakistan's request to be accepted and recognized as a continuing member of the Commonwealth after it becomes a republic.

It proposes that if Pakistan seeks a decision from the meeting, Canada might take the following position:

(a) Canada regards it as important, particularly at this period of international stress, that Pakistan should remain in close and friendly relations within the free countries of the West as well as the East; the Commonwealth connection is an important element in these relations; it is therefore desirable that Pakistan should remain formally a member of the Commonwealth.

(b) Canada is fully satisfied with the existing basis of Commonwealth relations both as regards our link with the Crown and our relationship with other Commonwealth members.

(c) If Pakistan does not find it possible to accept a continued link with the Crown, Canada is prepared to accept and recognize Pakistan as a continuing member of the Commonwealth on the same basis as agreed at the Prime Ministers' Meeting in April, 1949, in respect of India. Canada is of this opinion for the reasons stated in (a) above, because any less favourable consideration than that accorded India is incompatible with the principles governing the relations between members of the Commonwealth, and because of the conclusion recorded at the 1949 Meeting.⁵⁸

If the Prime Minister of Pakistan makes merely a declaration of intention, it suggests that the Prime Minister may wish to make a sympathetic statement along the above lines

⁵⁸ Voir volume 15, document 814 et Canada, Ministère des Affaires extérieures, *Affaires Extérieures*, volume 1, N° 5, mai 1955, p. 13.

See Volume 15, Document 814 and Canada, Department of External Affairs, *External Affairs*, Volume 1, No. 5, May 1955, p. 13.

and suggest to the meeting that Mr. Mohammed Ali be given an assurance that a favourable response to his formal request could be recorded in a public declaration at the appropriate time following consultation through ordinary channels.

On October 8, 1954, Canada was informed that the Constituent Assembly of Pakistan had adopted the Basic Principles of a new Constitution including one stating that Pakistan should be a sovereign independent Republic. The principles were to be incorporated into a draft Constitution Bill which it was intended to place before the Constituent Assembly at the end of November in the expectation that the Constitution would be approved by December 25 and brought into force at a date to be determined by the Assembly.

2. The Prime Minister of Pakistan informed the Prime Ministers of Canada and the United Kingdom that the Government of Pakistan had decided that even after becoming a republic, Pakistan should continue a full, free, and equal member of the Commonwealth and expressed the hope that Canada would choose "to accept and recognize Pakistan's continuing membership of the Commonwealth in accordance with the terms of the Commonwealth Prime Ministers' Declaration of April 28, 1949 in regard to a similar decision by India."

3. Sir Winston Churchill sent a message to Commonwealth Prime Ministers on October 14 which, after stating that the United Kingdom Government considered that a republican Pakistan should be accepted as remaining a full member of the Commonwealth, proposed that the views of member governments should be obtained before formal replies were made to Pakistan and suggested that the decision should be placed on record by means of a public declaration. Mr. St. Laurent stated that Canada also favoured Pakistan's remaining in the Commonwealth after becoming a republic, and indicated Canada's agreement with the suggested procedure and the terms of the proposed declaration. The Canadian Prime Minister also sent an interim reply to Mr. Mohammed Ali on October 18 stating that while he would not be in a position to send a formal reply until the completion of consultations with other Commonwealth Governments, he hoped that there would be unanimous agreement to accept and recognize Pakistan's continuing membership of the Commonwealth in accordance with the Commonwealth Prime Ministers' Declaration of April 28, 1949 in respect of India.

4. The Prime Ministers of India and Ceylon have indicated their agreement with the procedure suggested by the United Kingdom Government and the terms of the proposed declaration. Dr. Malan of South Africa, while agreeing in principle to Pakistan remaining within the Commonwealth and a declaration in the terms proposed, has advanced the view that changes in the constitutional status of a member or the admission of a new member to the Commonwealth should be discussed at a meeting of Commonwealth Prime Ministers and any declaration should follow that meeting. Australia has taken a similar line; after stating Australia's willingness to accede to the substance of Pakistan's request, Mr. Menzies suggested that a decision be taken at the forthcoming Prime Ministers' Conference which would enable an event of historic interest and importance to be dealt with in a more suitable form and atmosphere than by cabled communications between governments.

5. We have received no official indication of the views of the New Zealand Government. We understand, however, that Mr. Holland is not enthusiastic about a republican Pakistan continuing as a "full, free and equal member of the Commonwealth" and is not entirely convinced that a republic ought to be equal with a non-republican member of the Commonwealth.

6. On October 24, before the draft constitution bill had been introduced into the legislature, the Governor-General of Pakistan declared a state of emergency and in effect suspended the Constituent Assembly. At a meeting of High Commissioners in Karachi summoned by the Prime Minister in his capacity as Minister of Foreign Affairs and Commonwealth Relations on October 29, Mr. Mohammed Ali said *inter alia* that the question of Pakistan remaining in the Commonwealth as a republic would be placed in cold storage for the time being.

7. The United Kingdom Government suggested on November 3 that in view of the interval to be expected before a new constitution emerged and a republic could be declared, Commonwealth Governments should regard Mr. Mohammed Ali's earlier message and the United Kingdom proposals for responding to it as in abeyance. Canada said it agreed with this but observed that if sufficient progress were made, no doubt Mr. Mohammed Ali would wish to raise the matter at the forthcoming Prime Ministers' Meeting.

8. Early in December, the United Kingdom approached Pakistan in an effort to ascertain whether Mr. Mohammed Ali wished to have the question of Pakistan's constitutional status raised at the Prime Ministers' Meeting in London. In doing so, the United Kingdom High Commissioner pointed out that it would be inappropriate to ask the conference to record a decision on so important a question except on the basis of a formal request made in the light of a decision already taken or immediately imminent in favour of an early change of status. In drawing Mr. Mohammed Ali's attention to the difficulty of getting a decision in a hypothetical situation, the United Kingdom pointed out what seemed to them the wisdom of resting on the record of the April 1949 Prime Ministers' Meeting rather than seeking to obtain a decision in the absence of a factual situation.

9. We understand that Mr. Mohammed Ali is not sympathetic to this suggestion and has stated that he wishes to have the constitutional item on the agenda. Mr. Mohammed Ali observed that in April 1949, Mr. Nehru obtained a declaration by Commonwealth Prime Ministers on the basis of a draft constitution which had been approved only by the Congress Party caucus, and a time-table calling for the consideration of the constitution by Parliament during the summer with a tentative date for entry into force of August 15. This contention is open to question since a memorandum given by Mr. Nehru to Mr. Pearson on April 21, 1949 stated that the draft constitution was then before the Constituent Assembly of India.⁵⁹ According to our present information Mr. Mohammed Ali does not at the moment have agreement even by a party caucus. He has said, however, that he will want to make at least a declaration of Pakistan's intention to adopt a republican form of constitution and would hope to have a provisional time-table to present to his Commonwealth colleagues. The decision whether or not to seek a declaration at the London meeting will to some extent depend on the progress made before the meeting begins and the reception accorded his explanatory statement of intention at the meeting itself.

10. The United Kingdom think it unlikely that a final decision on the constitutional issue will be sought in London since time will be required for implementation of the constitutional changes already launched or under consideration in Pakistan. A recent report from the United Kingdom High Commissioner mentions the winter of 1955-56 as a more realistic date for the fruition of the plans under consideration. The United Kingdom are not adverse to delay for the following reasons:

(a) there is some possibility that the drive for status for a republic might lose its impetus if the matter were let rest for a period. The United Kingdom officials are of this view

⁵⁹ Voir/See Volume 15, Document 803.

because they consider some of the stronger members of the new Pakistan Cabinet less republican-minded than Mr. Mohammed Ali.

(b) an attempt to obtain a decision at this stage might be unwelcomed by South Africa, Australia and New Zealand, and

(c) it is wise to make haste slowly in constitutional matters.

Additional significant factors are that present constitutional changes in Pakistan are not sufficiently advanced to enable their nature or acceptability to be assessed; as far as we are aware, they have not been formulated or approved by a party caucus on which the government can depend for support as was the case in India, and the method of their enactment into law, now that the Constituent Assembly is no longer sitting, has yet to be clarified.

11. While the Canadian Government would probably not wish to oppose an attempt to obtain a decision from the meetings it need not encourage Pakistan to make the attempt. The right of each member to modify its constitution in the way it thinks best derives from the sovereign status of members of the Commonwealth and any infringement of this right by attempting to bring pressure on members is contrary to the basic principles underlying the Commonwealth relationship. Since the 1949 decision that a republican India would continue as a full, free and independent member of the Commonwealth, the possibility of other members becoming republics has been recognized and accepted. Any departure from this stand would call into question India's position as a full member equal in status with the other members and might create doubts and difficulties in the minds of the Asian members. In 1949, Commonwealth members went a long way to meet India's position; to raise again the issues which were decided over five years ago is unnecessary and would be manifestly unfair to Pakistan. Moreover, the minutes of the 1949 meeting (P.M.M. (49) 4th meeting page 1) contain the following paragraph inserted at the request of Mr. Liaquat Ali Khan;

"In answer to the question whether another member of the Commonwealth could continue membership of the Commonwealth under conditions identical with those which have been accepted in respect of India, it was finally agreed that it should be put on record as the opinion of the meeting that, while it was not possible to bind future meetings of governments, it could be logically assumed that a future meeting would accord the same treatment to any other member as had been accorded to India by this meeting."

Although this minute contains loopholes, nevertheless it may be said to impose some obligation on members to give sympathetic consideration to requests from members similar to that made by India in April 1949.

12. The only significant constitutional change since India became a republic has been the adoption of the individual forms of the Royal Style and Titles in 1953.⁶⁰ Since the accession of Queen Elizabeth II, Pakistan has been careful to avoid giving positive form to the status of the Crown. On the Queen's accession, the proclamation issued in Pakistan merely stated that "Her Majesty Queen Elizabeth II is now become Queen of Her Realms and Territories and Head of the Commonwealth." The new form of Royal Style and Titles for Pakistan reads: "Elizabeth II, Queen of the United Kingdom and of her other Realms and Territories, Head of the Commonwealth". These formulae are consistent with the minute recorded at the 1949 Meeting at Pakistan's request. It is clear that for almost six years, successive governments of Pakistan have been careful to adopt a position which would facilitate the transition to republican status within the Commonwealth at the appropriate time.

⁶⁰ Voir/See Volume 19, Document 1.

13. If Pakistan seeks a decision from the meeting along the lines of Mohammed Ali's message of October 8 we might take the following position:

(a) Canada regards it as important, particularly at this period of international stress, that Pakistan should remain in close and friendly relations with the free countries of the West as well as the East; the Commonwealth connection is an important element in these relations; it is therefore desirable that Pakistan should remain formally a member of the Commonwealth.

(b) Canada is fully satisfied with the existing basis of Commonwealth relations both as regards our link with the Crown and our relationship with other Commonwealth members.

(c) If Pakistan does not find it possible to accept a continued link with the Crown, Canada is prepared to accept and recognize Pakistan as a continuing member of the Commonwealth on the same basis as agreed at the Prime Ministers' Meeting in April, 1949, in respect of India. Canada is of this opinion for the reasons stated in (a) above, because any less favourable consideration than that accorded India is incompatible with the principles governing the relations between members of the Commonwealth, and because of the conclusion recorded at the 1949 Meeting.

14. If Mr. Mohammed Ali makes merely a declaration of intention in London, the Prime Minister may wish to make a sympathetic statement along the lines of paragraph 13. He may wish to suggest to his colleagues that in view of the remarks of the Prime Minister of Pakistan, and the discussion to follow, the meeting should consider whether it would be possible to give the Prime Minister of Pakistan an assurance that at the appropriate time his Commonwealth colleagues would consult together by ordinary channels of communication and, having reached agreement, place their decision on record in a suitable public declaration. The declaration might make reference to the consideration given to this question at the present meeting of Commonwealth Prime Ministers. The assurance to be given could only apply as long as the change contemplated did not involve departure from positions earlier agreed or introduce new elements bearing on the constitutional position of other members of the Commonwealth.⁶¹

⁶¹ Pour un compte rendu de la discussion de cette question à la Conférence des premiers ministres, voir le document 246, appendice B.

For the discussion of this question during the Prime Minister's Conference, see Document 246, Appendix B.

4^e PARTIE/PART 4RELATIONS AVEC DES PAYS PARTICULIERS
RELATIONS WITH INDIVIDUAL COUNTRIES

SECTION A

INDE
INDIA

SUBDIVISION I/SUB-SECTION I

VISITE DE KRISHNA MENON AU CANADA, JUIN 1955
VISIT OF KRISHNA MENON TO CANADA, JUNE 1955

292.

DEA/50052-40

*Note du secrétaire d'État aux Affaires extérieures
pour le premier ministre**Memorandum from Secretary of State for External Affairs
to Prime Minister*

CONFIDENTIAL

[Ottawa], June 10, 1955

Krishna Menon has now left Ottawa for New York and Washington after a very crowded and, I think, a useful visit, during which I saw him three or four times and must have spent four or five hours in conference with him. It was at times an exhausting business as he has a tendency to wander away from the subject under discussion, into the philosophic stratosphere where he can become mystical about contemporary problems. He is not exactly what you would call a practical or completely objective negotiator, but he is, I think, sincere and means well, and is trying to be helpful.

He is more relaxed and more sure of himself than he was a year or so ago, but he will never, I think, be a successful mediator between China, or indeed any Asian country, and the United States. His sympathies are too instinctively Asian and socialist to allow him to be as impartial as his present activities require. No doubt he thinks that I have the same disqualification in reverse for the kind of work which he is now doing. One thing, however, is quite certain and that is he is very friendly indeed to Canada and to Canadians. I think we are well advised to make the most of this feeling, especially while he is so close to Nehru and, therefore, so influential in forming the foreign policy of the greatest Asian democracy.

In addition to the talks I had with him I had lunch, dinner and lunch successively, which is a somewhat trying experience in view of the fact that Krishna eats practically nothing that other people eat, and drinks even less. Our visitor also saw the Governor General, had a press conference, a radio and television interview, and helpful discussions with the senior officials of the Department. Mr. Martin, for whom Krishna has a very warm regard, helped very much in entertaining our visitor, as did the Indian High Commissioner. Mr. Martin and I saw him off this afternoon.

Immediately on his departure I telephoned Mr. Heeney in Washington and asked him to telephone the State Department to let Mr. Dulles know that if he would like me to, I could give him at once an informal oral report of the visit. Mr. Dulles then called back immedi-

ately and I had five minutes or so with him on the telephone. I told him that Mr. Menon had very little to tell us that we did not already know, but that in my view the Secretary of State and the President would find it rewarding to have a good talk with him in Washington. I told Mr. Dulles that we would send them a report on our conversations. He seemed grateful.

The substance of our conversations can be divided as follows:

- (1) His mission to Peking and Chinese-American relations;⁶²
- (2) Indochina, and the work of the International Commissions.

So far as the first is concerned, it is clear that Chou En-Lai in particular, and other members of the Chinese Communist Government whom he met, made a strong and favourable impression on Menon; an impression which has not yet been removed. I asked him more than once for an analysis of Chinese Communist policy and attitudes. He is apparently convinced, and becomes very emphatic on the subject, that they have no aggressive intentions and have neither the will nor the power to dominate the rest of Asia as the agents of either revolutionary communism or Chinese imperialism. Menon's views on Asian affairs generally spring from this basic assumption. If he is wrong here, he is wrong in nearly everything else. On the other hand, if he is right in this fundamental matter, then he has cause for the discouragement and alarm about American policy in the Far East, which he undoubtedly feels. He was carefully restrained in his references to the United States and United States policy and emphatically disclaimed any but a friendly feeling for Americans. However, he does obviously believe (though it is not possible to get him to say so without equivocation) that American policy in the Far East is more aggressive than Chinese policy in the sense that it is taking action in Asia, a long way from the United States, which can only be interpreted by people like Menon as evidence not merely of a desire to keep the Communist menace as far away as possible from North America, but of a determination to destroy the Communist régime in Peking. For that purpose Menon feels that the Americans are not only relying on their own strength, but are trying to line up what he would consider to be the reactionary elements in Asian countries to support them.

Menon admits, however, that the situation has improved and that there are pacific elements at work both in Peking and in Washington, notably President Eisenhower, who may bring about an easing of tension and eventually a negotiation of differences. It is to this end that he claims to be working, and he is certainly sincere in his claim.

When you question him as I did as to what he thinks might be done in concrete terms to bring about further improvement, he becomes vague and has not very much that is specific to suggest. In a negative sense he is, I think, wise in his approach because he realizes that to force the pace now would be useless and that nothing much can be achieved at the present time and in the present atmosphere in the direction of formal negotiation through an international conference at any level and however composed. What he is hoping for is a continued improvement in the atmosphere by such measures as the release of American airmen and, on the United States side, a less belligerent attitude toward trade with China, and less support, at least less public avowal of support for Chiang Kai-shek. He mentioned in particular the desirability of a statement from Washington to the effect that not only can Chinese students in the United States go home if they so desire, but that if any persons or agencies outside the United States wish to facilitate their return the United States would put no obstacle in the way. Menon apparently has been told in Peking that while technically permission to return has been given, in fact it is not possible for many hundreds of

⁶² Voir aussi les documents 745-747./See also Documents 745-747.

Chinese students who wish to go to get out of the country. (This might be worth following up in Washington to see if some such declaration could be made. Menon was sure that it would be helpful).

He is also anxious that there should be no fighting in or over the Formosa Straits while diplomatic contact is being established. He does not feel, however, that there will be any possibility of persuading the Peking Government to accept a solution based on the "two Chinas" theory, nor does he think that they will accept indefinitely without using force Chiang Kai-shek's occupancy of the off-shore islands. He very much hopes, therefore, that the Americans can secure the evacuation of these islands. This would have a good effect in Peking, but only if that evacuation is not accompanied by the scorched earth policy as was the case in the evacuation of the Tachen Islands.

So far as the easing of tension is concerned, Menon had few concrete suggestions to make but felt it was important that diplomatic contact should be established. He thought that the best way to do this would be to have the Americans meet Chinese Communist representatives in Delhi (under the sponsorship of India), in London (under the sponsorship of the U.K.), and in Moscow (under the sponsorship of the Soviet Government). He thinks that before real negotiations can begin contacts of this kind should be established.

He also hopes that some Americans — and especially Canadians — will be permitted to visit Communist China and see for themselves what is going on there.

Once or twice he brought up the desirability of letting relatives of imprisoned Americans go to China and visit the prisoners. I told him that I could not see much point in this if, as we must hope, the prisoners are soon to be released. However, he said that the Chinese Government attached considerable importance to it. They had their own public opinion to worry about, and it would be far easier for them to release the prisoners (apparently in accordance with some old Chinese custom) if the families had first visited them. I merely murmured to Menon that the United States also had public opinion which was more vigorous and free than that of China, and which put a limit on what the United States could do.

Finally, and he attaches great importance to this, the time must come soon when the Peking Government is recognized and given membership in the United Nations.⁶³

Indochina

We talked at some length about the situation in Indochina, and more particularly the position of our two governments on the International Commissions.

In Vietnam the main problem is to get negotiations started between the southern and northern governments in order to bring about free general elections. I repeated to Menon the Canadian position — along lines that are now well known — regarding the responsibilities of the International Commission with regard to supervision of elections. He seemed to accept our position, though he felt that we were being a little too legalistic, but he was very suspicious of the efforts of the United States with the Diem government to prevent elections. I tried to remove some of his fears in this regard and also pointed out that both the United Kingdom and France were doing their best to bring about the preliminary but essential contact between the two governments. I told Menon that so far as I was concerned I was not nearly as optimistic as he was about satisfactory results from any such discussions, or that free elections in any accepted meaning of the word could be held in the

⁶³ Pour la discussion sur l'évolution de la question en 1955, voir les documents 95-97.
For a discussion of the evolution of this problem in 1955, see Documents 95-97.

near future. I emphasized that this was the only kind of election for which we would take any responsibility whatever. Menon thought I was too pessimistic.

He also thought I was too pessimistic about the situation in Laos where he was inclined to criticize the position of the Canadian member of the Commission as being unduly legalistic.⁶⁴ His information led him to believe that the Pathet Lao would accept integration into the national community, but that they would not accept any position which restricted them in the north, pending such integration, to the occupancy of a few camps. He did not think that the Pathet Lao was dominated by the Chinese or the Vietminh.

So far as Cambodia was concerned, Menon felt that all that was required was an election where all members of the community would have a chance to vote. He was critical of the present government because it was attempting, through electoral reform, to disfranchise (he felt that this was also true of Laos) progressive elements which were opposed to it.

Menon was also critical of the United States-Cambodian military aid agreement.⁶⁵ He could not accept our view that this agreement did not conflict with the Geneva armistice agreement. Their legal people felt that it did. In any event, it was unwise and provocative and had aroused real resentment in the Indian Government. It was not long ago that Mr. Nehru had been asked to take greater responsibility for Cambodia, both diplomatically and militarily. He had had great difficulty in persuading his colleagues in the Cabinet that they should accept any such responsibility, especially for military training, but he had been successful. He was then informed by the Cambodian Government that the Government would not require either Indian or American aid in the field of military training because it would be more convenient and satisfactory to continue to use French assistance. Mr. Nehru accepted this decision in good grace, but was surprised and annoyed to learn later that, without any further consultation, the French had also withdrawn from the field and the United States-Cambodian agreement had been signed. This seems to rankle.

L.B. PEARSON

⁶⁴ Voir le chapitre 7, première partie, section c./See Chapter 7, Part 1, Section C.

⁶⁵ Voir le chapitre 7, première partie, section b.
See Chapter 7, Part 1, Section B.

SUBDIVISION II/SUB-SECTION II

VISITE DU SECRÉTAIRE D'ÉTAT AUX AFFAIRES EXTÉRIEURES
EN INDE, 24 OCTOBRE-6 NOVEMBRE 1955

VISIT OF THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS
TO INDIA, OCTOBER 24-NOVEMBER 6, 1955

293.

DEA/12278-40

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

*High Commissioner in India
to Secretary of State for External Affairs*

TELEGRAM 768

New Delhi, November 8, 1955

CONFIDENTIAL. IMPORTANT.

Reference: My immediately preceding telegram.†

MINISTER'S VISIT: TALKS WITH MISTER NEHRU

The Minister had two talks with Nehru. I accompanied him to both. The first talk on November 4 lasted for about one and one half hours, and the second on November 5 for about two hours. Bhabha of the Indian Atomic Energy Board was present for the last half-hour of the first talk and Dutt was present for all but the first twenty minutes or so of the second talk which was concerned almost entirely with Indo-China.

2. I am reporting in separate telegram on:

- (a) the invitation to Mister Nehru to visit Canada;†
- (b) atomic energy;⁶⁶ and
- (c) Indo-China.⁶⁷

3. I am sending by despatch the two documents which the Minister gave Nehru on his visit to the Soviet Union. The first is [a] slightly expurgated version of the memorandum which he sent to Mister St. Laurent⁶⁸ and the second is a very slightly modified version of the telegram reporting on his talks with Khrushchev.⁶⁹

4. Nehru was very relaxed, affable and unhurried. The first day he listened carefully and with interest to what the Minister had to say but volunteered almost no information or comments himself. The second day he was a little more forthcoming but he left Dutt to make the running on Indo-China.

5. At the first meeting, the Minister expressed his appreciation of Indian hospitality, particularly at Gangtok, and of the Indian generosity in calling the Mayurakshi Dam after Canada. He extended the invitation to Nehru to visit Canada, and made the formal offer of

⁶⁶ Voir/See Document 283.

⁶⁷ Voir/See Document 634.

⁶⁸ Non retrouvé./Not located.

⁶⁹ Pour le rapport complet sur les entretiens de Pearson avec Khrouchchev, voir le document 537.

For the full report on Pearson's talks with Khrushchev, see Document 537.

an emergency flood relief contribution.⁷⁰ He also gave his impressions of Russia. The first meeting ended with the Minister discussing the NRX reactor with Bhabha, a discussion in which Nehru did not participate. The second meeting was devoted almost entirely to the situation in Indo-China. In addition, the Minister brought up the question of our recognition of Peking China and said that we were thinking of moving in step with Belgium, Australia and New Zealand.⁷¹ As far as recognition by the United States was concerned, the Minister said that it seemed probable that recognition would not take place until after the U.S. presidential elections and then presumably by Democratic régime probably under Stevenson.

6. Nehru thoroughly enjoyed his talks with the Minister. I think the talks have helped Nehru to clarify his own mind on Indo-China and perhaps to correct distortions in his picture of the Soviet Union.

[E.] REID

SECTION B

ROYAUME-UNI : CHARBON
UNITED KINGDOM: COAL

294.

PCO

Extrait des conclusions du Cabinet
Extract from Cabinet Conclusions

TOP SECRET

[Ottawa], May 31, 1955

...

COAL; EXPORT TO THE UNITED KINGDOM

5. *The Minister of Finance*, referring to discussion at the meeting of March 8th, 1955, recalled that proposals to assist the export of coal from eastern Canada had not been accepted because of objections in principle to subsidizing exports pending the out come of discussions on the General Agreement on Tariffs and Trade taking place at Geneva.

The Dominion Coal Company had now received a firm offer from the National Coal Board in the U.K. to purchase 100,000 tons of slack coal for delivery from July to October 1955. The purchase price offered would work out to \$14.12 per net ton delivered C.I.F. Rotterdam. The total cost of such coal, as calculated by the chairman of the Coal Board would be \$17.02. The Coal Board recommended that assistance to the extent of this difference of \$2.90 be provided in the form of a subvention. There was only a limited market available in central Canada for Nova Scotia coal under the present subvention limits of \$4.75 a ton, and it was probable that the present market would decline further. Production per man day was beginning to show some of the increase expected from the mechanization

⁷⁰ Le 5 novembre 1955, le ministère des Affaires extérieures a annoncé qu'il allait remettre 100 000 dollars à la Croix-Rouge canadienne pour l'achat de fournitures d'urgence destinées aux victimes des inondations en Inde et au Pakistan, chaque pays devant recevoir la moitié de cette somme.

On November 5, 1955 the Department of External Affairs announced that it would give \$100,000 to the Canadian Red Cross to purchase relief supplies for flood victims in India and Pakistan. The money was to be divided equally between the two countries.

⁷¹ Voir Chapitre 7, 4^e Partie./See Chapter 7, Part 4.

programme, but this increase, together with the limitations of the market, would reduce the number of men employed. It was important that such a reduction be made gradually, and the proposed export would help to cushion the decline. If the movement were successful in creating future business, it was possible that the laid down cost of N.S. coal and the rate of assistance required might decline due to lower freight and production costs. The additional expenditure required could be met within the present item in the estimates.

(Memorandum, Minister of Mines and Technical Surveys from Chairman Dominion Coal Board, May 31, 1955).†

6. *Mr. Harris* added that the company's large 1B colliery was to have been closed the end of May. It was now to be kept open during June. It was an inefficient mine, and the subsidy on exports to the U.K. should not be tied in with keeping it in operation. The slack coal should come from other collieries. The government would be paying \$8 million this year to the company. A subsidy of \$300,000 for the sale was a small proportion of the total payments to the company. If no assistance were given, the possibilities of the U.K. market might not be adequately tested.

7. *Mr. Winters* said that, some days before, he, the Minister of Mines and Technical Surveys, provincial authorities and officers of the company had attended a meeting on the Nova Scotia coal problem. These talks had been inconclusive with neither the union nor the company having anything to suggest. While the discussions were being held, an accident had occurred at one of the company's mines which would lead to some suspension of its production. He had asked officers of the company if they could keep the 1B colliery open to help the immediate employment problem caused by the closing of this other mine. He thought the proposed export subsidy worthwhile on experimental grounds so that the British might learn to use this type of coal. This was the only basis on which he would agree to the suggestion and he would not wish to assist exports in this manner as a regular practice in the future. The unemployment situation in eastern Nova Scotia was worrying and it was desirable to maintain, somehow, the confidence in the future of the people in that area.

8. *In the course of discussion* the following points emerged:

(a) It was doubtful if this scale would make much, if any, difference to the employment situation in Nova Scotia. There would be a market in the U.S. for imported coal for some time. It was not economical at the moment for that U.K. to use low grade oils in plants for the production of electrical energy and, until atomic energy was available in some quantity, coal would be used in increasing quantities. Assisting this sale to the U.K. was a gamble to demonstrate that N.S. coal, with its sulphur content, could be used for the purpose.

(b) A readjustment appeared to be inevitable with more production per man and reduced employment levels. The time might come when the coal would be used as a chemical rather than a fuel and its value increase. But that was a long way off. Meanwhile, the only return for the subsidies being paid was the maintenance of employment.

(c) The G.A.T.T. discussions did not have as much bearing on subsidized export sales as expected earlier. There were provisions in the G.A.T.T. relating to the use of export subsidies but they would not prevent Canada entering into this subsidy. Except for a small subsidy on western coal, this would be the first time there had been a direct subsidy on a Canadian export. The U.S. subsidized export sales of coal and some other products indirectly.

(d) If assistance were to be given, the largest amount should be \$2.00 a ton; it should not cover such things as administrative costs, interest, selling expenses and profit. The company should itself contribute, in part, towards making the experimental sale possible.

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295.

PCO

Extrait des conclusions du Cabinet
Extract from Cabinet Conclusions

TOP SECRET

[Ottawa], August 16, 1955

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COAL SUBVENTION; FURTHER EXPORTS TO THE UNITED KINGDOM

19. *The Prime Minister*, referring to discussion at the meeting of May 31st, 1955, said the Dominion Coal Company had now accepted a firm order from the United Kingdom for a further 120,000 tons of slack coal, with the possibility of an additional order for 10,000 tons later on. The Dominion Coal Board recommended that similar assistance be extended to these new orders as was provided for previous shipments to the U.K. and Europe. This slack was in excess of home demand. It would remain unsold and later be moved to points in the St. Lawrence River Valley at a possible maximum subvention of \$4.75 a ton if not sold overseas.

The assistance provided earlier had been approved on an experimental basis only, in the hope of developing markets in Europe. While these additional orders were perhaps not of an experimental character, the slack had to be sold by one means or another.

Consideration of the matter might be deferred until Ministers more directly concerned were present.

20. *During the discussion* the following points emerged:

(a) Unless better arguments than the experimental one could be made for this sale, assistance should not be given. The slack should be sold to the U.K. for the best price obtainable.

(b) The import of coal into the U.K. from Canada had been reasonably well received. The U.K. was facing great difficulties in getting sufficient numbers of men to work in its coal pits. The suggestion had been made in the U.K. that some N.S. miners might go there to work in U.K. mines. Whether any would be willing to do so was another question.

(c) It was inadvisable to pay subsidies which led to the use of a mineral for secondary purposes which might be a real asset in the future for more useful purposes.

21. *The Cabinet* noted the report of the Prime Minister on the proposal to extend to a larger tonnage the export subsidy on coal for the United Kingdom and Europe, and deferred consideration of the matter to a meeting at which those Ministers most directly concerned would be present.

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296.

PCO

Extrait des conclusions du Cabinet
Extract from Cabinet Conclusions

TOP SECRET

[Ottawa], September 21, 1955

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COAL SUBVENTIONS; FURTHER EXPORTS TO THE UNITED KINGDOM

11. *The Prime Minister*, referring to the discussion of August 16th, 1955, drew attention to the recommendation of the Minister of Mines and Technical Surveys that the subvention payable on exports of coal to the U.K. be applicable to a larger tonnage, and said it would be difficult to justify assistance for additional shipments on experimental grounds. About the only remaining reason that could be given for subsidies on the additional amount was that they would help to maintain employment in the coal mining areas of Nova Scotia.

12. *During the discussion* the following points emerged:

(a) It would have to be decided as a matter of policy whether the coal industry should be supported on a continuing basis through export subsidies. It was inadvisable to take an ad hoc decision at this time on the one isolated proposal.

(b) The Dominion Coal Company said this further assistance was required because the price it had obtained for the export order would not cover costs. The company did not regard the sale as an experimental one but rather as a substitute for the slack being shipped up the St. Lawrence River Valley at a possible maximum subvention of \$4.75 per ton.

(c) Reasonable progress was being made in the adjustment of the Nova Scotia coal industry to reduced markets but there was no other major source of employment than coal mining in the Glace Bay area. Nevertheless, only 200 people were out of work in that area although a considerably larger number had become unemployed when the 1B Colliery closed. To some people, there seemed little doubt that the bringing of natural gas to the east would still further reduce the markets for Nova Scotia coal. While the United Kingdom and Europe might not be entirely satisfactory alternatives, these markets should not be overlooked in deciding on future coal policy.

(d) A careful study should be made of the size of these coal subsidies. The largest payments by far were received by the Dominion Coal Company, a subsidiary of Dominion Steel and Coal Corporation. The latter enjoyed substantial profits on its steel production but it obtained fuel for this operation from its subsidiary at prices below cost. There seemed, therefore, little doubt as to the destination of much of the federal assistance for coal production.

(e) Before reaching a decision on the proposal to assist further exports to the U.K., a more substantial explanation of the reasons for it should be made, including details on costs of production, shipping costs, prices in England and in Canada, the size of the present subsidies in relation to costs, etc.

13. *The Cabinet* deferred consideration of the proposal to extend to a larger tonnage the export subsidy on Nova Scotian coal and requested a full justification of the proposal, including details as to costs of production, shipping costs, prices, the size of subsidies, etc.

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297.

PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET

[Ottawa], October 5, 1955

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COAL SUBVENTION; FURTHER EXPORTS TO THE U.K.

4. *Mr. Winters*, referring to discussion at the meeting of August 16th, 1955, said he had now obtained further information on the proposed sale of more coal to the United Kingdom and some details on recent sales made by United States companies. Subject to the provision of a subsidy, the Dominion Coal Company had agreed to supply a further 220,000 tons to the U.K. Of this total, 130,000 tons would be delivered before March 31st, 1956. The transaction would require a subvention of \$2.50 per ton if costs of production and transportation were to be realized.

The U.K. had purchased coal from the U.S. of considerably higher quality than the Nova Scotia coal, and at a lower price. Costs of production in the U.S. mines were much less than those in Nova Scotia. However, the company had stated that its pithead costs would be reduced over the next few months. The U.K. agent of the company thought that as much as 400,000 tons of Nova Scotia slack might be sold to the U.K. in 1956 and at higher prices than were being paid at present. The Dominion Coal Board now recommended that assistance of up to \$2.50 a ton be extended to cover the additional 130,000 tons which would be moved during the balance of the present fiscal year.

Explanatory memoranda were circulated.

(Memoranda, Chairman, Dominion Coal Board to Minister, Sept. 26, 1955,† and attachment, and Oct. 3, 1955—Cab. Docs. 200† and 202-55†).

5. *Mr. Winters* added that it should be decided as a matter of policy, whether or not sales of this kind should be subsidized on a continuing basis. There would probably be more unemployment in the mining areas of Nova Scotia if no such aid were forthcoming. Many in the province believed that, when western gas reached the east, it would displace as much as one million tons of coal in central Canada. It would be helpful to find an alternative market elsewhere. However, the industry should be told that costs would have to be reduced and it could not expect subventions at the proposed rate forever. On balance, he recommended that the assistance proposed be extended.

6. *During the discussion* the following points emerged:

(a) The assistance should be regarded as part of the programme to encourage winter employment. The slack was produced as a by product in mining sized coal; it would pile up if not sold and some collieries would have to shut down.

(b) If there were future sales, as seemed quite possible, the subsidy should be on a reduced scale in each case. In the present instance, it might be set at \$2.30, with the company absorbing some elements of the cost, which it appeared able to do. The company should also reduce its production of slack when possible.

(c) Further subsidies would be a violation of the G.A.T.T. It seemed unlikely, however, that the U.S. would complain about unfair competition as the U.K. market appeared to be expanding. Relations with our G.A.T.T. partners would be improved if it were known that future assistance would be on a reducing scale.

(d) The money involved represented interest on a substantial capital sum which might be usefully invested in a self-supporting programme. The continuing drain on the treasury of subsidies for these export sales could not be maintained forever.

7. *The Cabinet* noted *Mr. Winter's* report on further exports of slack coal to the United Kingdom from Nova Scotia and agreed:

(a) that assistance at the rate of \$2.30 per ton be provided for a further 130,000 tons; an order in council to be passed accordingly;

(Order in Council P.C. 1955-1495, Oct. 5) and,

(b) that the Dominion Coal Company be informed that, while assistance might be provided for future shipments, this would be only at a reducing rate with a view to it being eliminated altogether, and that the company should consequently make every effort to place its export programme on a self-sustaining basis.

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SECTION C

ANTILLES : IMMIGRATION
WEST INDIES: IMMIGRATION

298.

PCO

Extrait des conclusions du Cabinet
Extract from Cabinet Conclusions

TOP SECRET

[Ottawa], May 6, 1955

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IMMIGRATION; ADMISSION OF DOMESTICS FROM JAMAICA

30. *The Minister of Citizenship and Immigration* said that Mr. Isaacs, Minister of Trade and Industry of Jamaica, while on a recent visit to Ottawa, had enquired whether the Canadian government would be prepared to agree to an arrangement under which a certain number of Jamaicans would be admitted to Canada, not as immigrants but on a temporary basis to serve as domestics for a period of one or two years, at the conclusion of which time they would return to Jamaica. The Jamaican government would be prepared to establish an agency in Canada with responsibility to make sure that the Jamaican domestics honoured their commitments and were returned to the island following their period of service in Canada.

Mr. Isaacs was fully aware of the government's policy on immigration from the British West Indies and he did not suggest that this policy be changed, but it would help Canada-Jamaican relations if some scheme such as he had outlined could be put into effect.

31. *In the course of discussion* the following points emerged:

(a) The prohibition against immigration from the British West Indies seemed somewhat anomalous in view of the fact that Indian immigrants were admitted to Canada on a limited quota basis. There might be some merit in establishing a quota for the B.W.I. If this were agreed, the best time might be when the Federation of the British West Indies came into being in the next year or two.

(b) The temporary entry of domestics from Jamaica could give rise to a number of problems. It might be difficult to establish fully effective controls on the movements of these persons. There were the added problems of possible marriage and birth and the reluctance of employers to lose good servants at the end of the stipulated period.

(c) As a gesture of good will and in the interest of Canada's important trade relations with Jamaica, it might be advisable to agree to an arrangement along the lines suggested by Mr. Isaacs, at least on a trial basis. Any such scheme that might be established should perhaps be under the administration of the National Employment Service of the Department of Labour rather than under the Department of Citizenship and Immigration.

(d) It was suggested that the Ministers of Labour and of Citizenship and Immigration might investigate the possibility of working out an arrangement with the Jamaican government under which, say, 100 domestics would be admitted to Canada as non-immigrants for a trial period of a year or two.

32. *The Cabinet,*

(a) noted the report by the Minister of Citizenship and Immigration on a suggestion made by the Minister of Trade and Industry of Jamaica, Mr. W.O. Isaacs, that an arrangement be worked out under which the Canadian government would admit, as non-immigrants, a certain number of Jamaicans who would be employed exclusively as domestics in Canada for a period of one or two years, following which they would be returned to Jamaica;

(b) agreed that the Minister of Labour and the Minister of Citizenship and Immigration investigate the possibility and desirability of working out an arrangement along the lines suggested by Mr. Isaacs for a trial period of one or two years; and,

(c) agreed that further consideration be given to the desirability of establishing an immigration quota for the British West Indies, perhaps at the time the British West Indies Federation came into being.

299.

PCO

*Note du ministre de la Citoyenneté et de l'Immigration
et du ministre du Travail
pour le Cabinet*

*Memorandum from Minister of Citizenship and Immigration
and Minister of Labour
to Cabinet*

CABINET DOCUMENT NO. 131-55

Ottawa, June 7, 1955

CONFIDENTIAL

ADMISSION OF DOMESTICS FROM THE B.W.I.

1. Representations have been received from the Governments of Jamaica and Barbados asking that Canada give some consideration to controlled immigration from these areas, thereby giving a measure of relief to their problems of unemployment and over-population which are extremely acute.

2. Under Canada's present immigration policy, immigrants of coloured race from the B.W.I. come within paragraph 4 of Section 20 of the Immigration Regulations. Those who have relatives in Canada to assist them in becoming established may come forward on submission of an application in Canada. Applications may be submitted for residents of the B.W.I. by residents of Canada who can receive and care for them, provided they come within the following classes:

(a)(i) The husband or wife;

(ii) The son or daughter, brother or sister, step-brother or step-sister, half-brother or half-sister, together with the husband or wife and unmarried children under 21 years of age;

(iii) The father or mother;

(iv) The grandparents;

(v) The single (excluding divorced) orphan nephew or niece under 21 years of age.

(b) Fiancé(e)s.

In addition, special consideration is given to any individual case of an applicant who appears to have outstanding qualifications or where admission would appear to be warranted on humanitarian grounds.

3. A study has been made of the proposal to admit workers from the B.W.I. and it is considered that the Government could, as an experiment, allow the admission of 100 such workers during 1955. It is suggested that the best field for immigration of this sort is that of domestic service, and that the experiment should be confined to workers in this category. Attention is drawn to the fact that while the present proposal originated out of discussions with the Jamaican Government, officials from the Barbados were the first to approach us in the matter and it is felt that if approval is given to the admission of 100 unsponsored domestics, 25 should be selected from Barbados.

4. Regarding the selection of these domestics, arrangements should be made to have this done on our behalf by the responsible Government agencies in Jamaica and Barbados. Selection should be made from suitably qualified single girls in the age group 21-35 years, having regard to health, character and training. Those selected would be required to sign an undertaking to remain at domestic employment for a specified period. It is to be understood that the Government of Canada will not advance transportation on behalf of persons admitted under this scheme, and an effort should be made to conclude an arrangement with the countries of emigration whereby they will provide return transportation for those domestics found to be undesirable.

5. Responsibility for the placement of these domestics upon their arrival in Canada will rest with the Department of Labour.

6. Consideration has been given to the conditions under which these girls should be allowed admission to Canada and in this regard two proposals are submitted, namely, to allow entry as non-immigrants, or to grant landing upon arrival.

7. *The first course of action* would involve non-immigrant entry for a stipulated period of time, departure from Canada to be made upon the completion of contract. This course of action would appear to afford a measure of control to ensure compliance with the undertaking to remain at domestic work, however, there are practical reasons which militate against it. Termination of employment at the end of the stated period would be difficult for it is unrealistic to suppose that the employer of a girl who has given satisfactory service, the need for which still existed, could be convinced that she should be returned home to be replaced by another girl of unknown quality. This would result in representations for extension of temporary stay which may be difficult to refuse and as it would be contrary to Canadian views on equality to allow the girls in this category to remain in Canada for an indefinite period without the benefit of permanent status, the matter of granting landing would have to be considered.

To deprive those coming forward under this plan of the status of landed immigrants would be interpreted by many as an attempt at forced labour and charges of discrimination would inevitably result.

Another reason is that in the course of two years or more residence in Canada, these girls will have become accustomed to a standard of living superior to that of their own country of origin and it would be regarded by many as an injustice to insist upon their return.

8. *The second course of action* — if this alternative is pursued we would eliminate the possibility of charges of discrimination against this group which is a major objection to the

first proposal. If granted landing upon arrival, then domestics admitted under this scheme would enjoy the same benefits as other immigrant domestics in that their residence in Canada would count towards the acquisition of domicile and ultimate Canadian citizenship. There is no reason to believe that these girls, once admitted, will leave domestic employment to seek higher wages in industry. Furthermore, the Immigration Act and Regulations, together with such controls as may be exercised administratively, would provide sufficient sanctions to prevent abuse of the scheme.

9. On balance it is considered preferable to regard domestics coming forward from the British West Indies as immigrants and to deal with them as such upon their arrival in this country.

THE UNDERSIGNED, THEREFORE, SUBMIT THE FOLLOWING RECOMMENDATIONS FOR CONSIDERATION:

(a) THAT Cabinet approve the admission of 100 domestics from the British West Indies on an experimental basis, the scheme to be reviewed one year hence; 75 domestics to be selected from Jamaica and 25 from Barbados;

(b) THAT the Department of Citizenship and Immigration and the Department of Labour be authorized to complete arrangements with the responsible Government authorities in Jamaica and Barbados respecting the selection of domestics and the return to their country of origin of those domestics found to be unsuitable;

(c) THAT such controls as are needed be exercised administratively by the Department of Citizenship and Immigration and the Department of Labour;

(d) THAT domestics admitted under this scheme be granted landing upon arrival in Canada;

ALTERNATIVELY,

(e) THAT domestics admitted under this scheme be allowed entry as non-immigrants for a period of one year on the understanding that they will remain in domestic service, provision to be made for an extension of temporary entry for a further period of one year, departure from Canada to be made at the expiration of this time or upon completion of contract.⁷²

J.W. PICKERSGILL
Minister of Citizenship and Immigration
M.F. GREGG
Minister of Labour

⁷² Les recommandations a, b, c et d ont été approuvées par le Cabinet le 8 juin 1955.
On June 8, 1955, Cabinet approved recommendations a, b, c and d.

CHAPITRE IV/CHAPTER IV
RELATIONS AVEC LES ÉTATS-UNIS
RELATIONS WITH THE UNITED STATES

PREMIÈRE PARTIE/PART 1

VISITE DU SECRÉTAIRE D'ÉTAT DES ÉTATS-UNIS À OTTAWA,
LE 17-19 MARS 1955
VISIT OF THE UNITED STATES SECRETARY OF STATE TO OTTAWA,
MARCH 17-19, 1955

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DEA/11049-40

*Note du secrétaire d'État aux Affaires extérieures
pour le premier ministre*

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

SECRET

Ottawa, March 17, 1955

CONVERSATION WITH MR. DULLES

Mr. Dulles called on me this afternoon, accompanied by the United States Ambassador and Mr. Douglas MacArthur, Jr., the Counsellor of the State Department. Mr. Léger and Mr. Arnold Smith were with me.

Yalta Papers

Mr. Dulles said that he expected the furore over publication of the Yalta papers would die down in a few days.¹ Virtually all the items which the press seemed to consider sensational had already appeared in books, e.g. the memoirs of Mr. Stettinius. He also said that the British authorities had had the text of the papers which it was proposed to release, for two months before they gave their consent to publication. Mr. Dulles added that the State Department had made a few deletions in the transcripts before publication — e.g., a statement by President Roosevelt that he despised the Jewish vote.

I suggested to Mr. Dulles that to put the quietus on any recriminations about unwarranted release of confidential conversations, it might be useful if his people were able to point out to newsmen details of when and where the various items had previously appeared.

WEU—NATO

Turning to more important current matters, Mr. Dulles said that he had been giving considerable thought to a long-term problem which would arise regarding relations between the West European Union, which he expects to come into existence shortly, and NATO. Closer West European cooperation was desirable: so is trans-Atlantic cooperation. For a period, there would inevitably be duplication between the WEU and NATO forums, but sooner or later choices will have to be made as to which forum should be used for

¹ Voir/See United States, Department of State, *Foreign Relations of the United States, The Conferences at Malta and Yalta, 1945*, Washington D.C.: United States Government Printing Office, 1955.

particular purposes. Where should the United States throw its weight on this matter? I said that our own policy has been and is to stress the primary importance of the North Atlantic framework, with WEU having a subordinate role within it. I said that I understood the British had come to a similar conclusion. One factor to be considered is that if WEU plays an increasingly important role at the expense of NATO, Denmark, Norway, Greece and Turkey would unquestionably press to enter it.

Formosa

Turning to Formosa, I made clear to Mr. Dulles our own position, and also stressed the distinction which Canadian opinion makes between Formosa and the Pescadores on the one hand, and the off-shore islands on the other.² Mr. Dulles said that the relevance of the off-shore islands was in his view largely psychological, relating to the morale of the Nationalist Chinese troops on Formosa. Chiang Kai-shek fully realized that there could be no question of his returning to the mainland, but his troops did not recognize this, and he dare not tell them. Most of his troops are from the mainland, and their overriding ambition is to return there, where their families, their homes, and the graves of their ancestors are. The danger is that if they did not think they had some hope of returning by conquest, they would subvert to return. The real problem is therefore, as Mr. Dulles put it, that "the morale of the Chinese Nationalist troops is based on a fiction". Little by little the soldiers who came from the mainland are being replaced by younger men who are native Formosans, and whose interest lies in defending Formosa, but Mr. Dulles said that this process will take a considerable time to work itself out and this improvement in the morale problem will at best be only gradual. I said that this morale problem would exist quite apart from the position of the off-shore islands.

Consultation

I told Mr. Dulles of the uneasiness which Canadians feel (as I am sure the people of other countries which are not great powers do, likewise) when they come to realize that the facts of interdependence are such that involvement is not necessarily related to commitment, and that decisions taken by others may lead to hostilities in which they would be expected to play a part. Though I recognized the difficulties, the feeling that people who would be involved in the results of defence policies should have a voice also in the decisions which might bring these policies into play, was an important political fact.

Mr. Dulles replied that he attached importance to consultation, and weighed carefully their associates' views in reaching their decisions. The U.S. were, he said (and I agreed with this as far as Canada is concerned), consulting a great deal with their leading associates, particularly the United Kingdom, but also Canada, Australia and New Zealand. "We are consulting less lately with France," he added, "because she has been acting rather irresponsibly."

Atomic Weapons

Mr. Dulles referred to statements which President Eisenhower and he have made during the past week regarding the use of small atomic weapons against battlefield and tactical

² Voir/See Document 709.

targets, and the distinction between these and the big hydrogen weapons.³ He thought it important that the public should come to recognize this distinction.

He mentioned that in a recent discussion he had with President Eisenhower about the availability of military aircraft in the Formosa area, Eisenhower remarked on the small number of planes — four or five hundred, recalling the days in Europe when he could order 5,000 planes into the air in a single area. The difference, Mr. Dulles continued, is in the power of the weapons. A small atomic bomb can knock an airfield out for a considerable period of time, whereas peppering it with a lot of conventional bombs merely makes potholes which can be repaired overnight.

American defence forces and policy, Mr. Dulles observed, have been shaped on the predicated use of small atomic weapons. If the Americans had to prepare also to fight only with conventional weapons, this would involve having, in addition to atomic facilities, something like a hundred times as many aircraft, at prohibitive cost. The U.S. would in any case have to have forces capable of atomic warfare to use if the other side used such weapons, and to duplicate this with forces which could operate with conventional weapons would involve such financial and economic strains that the U.S. would have to introduce all-out economic and political controls for an indefinite period, and thus sacrifice many of the free values for which they stood. The decision therefore to rely on atomic weapons was more than merely a financial one.

Defence Priorities

Mr. Dulles went on to say that if war came, he expected that it would start by Communist air attacks on North America: either on the industrial centres, or the airfields from which retaliation could come, or more probably both. Sir Winston Churchill found it hard, he said, to recognize that the United Kingdom would not be the primary target, but this was nevertheless in Dulles' view unquestionably the case. The U.K. might even be bypassed. This meant that the primary field for America's defence resources would be North America. Maintenance of some forces in Europe would continue to be necessary, but chiefly for psychological and political reasons.

Trade: Oil

Toward the end of the meeting I brought up the subject of exports of oil from Western Canada to the United States, and stressed the great concern which we felt about the action contemplated by the Americans to curb this trade.⁴

L.B. PEARSON

³ Pour la déclaration initiale de Dulles sur ce sujet, et sa conférence de presse suivante le 15 mars, voir United States, Department of State, *Bulletin*, Volume XXXII, No. 821, March 21, 1955, pp. 459-460 et No. 822, March 28, 1955, pp. 526-527. Pour les remarques du président Eisenhower à une conférence de presse le 16 mars voir United States, *Public Papers of the Presidents of the United States: Dwight D. Eisenhower 1955*, Washington D.C.: United States Government Printing Office, 1959, p. 332. Voir aussi le document 733.

For Dulles' initial statement on this matter, and his subsequent press conference on March 15, see United States, Department of State, *Bulletin*, Volume XXXII, No. 821, March 21, 1955, pp. 459-460 and No. 822, March 28, 1955, pp. 526-527. For President Eisenhower's comments at a press conference on March 16, see United States, *Public Papers of the Presidents of the United States: Dwight D. Eisenhower 1955*, Washington D.C.: United States Government Printing Office, 1959, p. 332. See also Document 733.

⁴ Voir/See Document 378.

301.

L.B.P./Vol. 32

Les conclusions du Cabinet
Cabinet Conclusions

TOP SECRET

[Ottawa], March 18, 1955

Full record of that portion of a meeting of the Cabinet held in the Privy Council Chamber on Friday, March 18th, 1955, at which the Secretary of State of the United States was present.

1. *The Prime Minister* welcomed Mr. Dulles to the meeting and referred to the genuine common interest Canada and the United States had in most international problems. Any remarks which Mr. Dulles might care to make on the grave situation facing the world, particularly in the far east, would be listened to with interest.

2. *Mr. Dulles* said he was honoured to meet the Cabinet and give Canadian ministers some of the thoughts in the minds of those charged with the administration of U.S. foreign policy. The relationship between Canada and the U.S. was such a close and special one that it was important for those in public life to keep in close touch with each other. Members of the U.S. government were most alive to the importance of explaining their views and possible courses of action to their friends and allies. Before making decisions they took into account the opinions of their associates, and particularly those in Canada, on the various matters before them. The free world was held together by common ideals and common standards and its unity depended on respect for those ideals and for the wishes of others, in contrast to the enforced "monolithic" character of the communist world.

At the moment, Asia was the area which gave him and the members of the U.S. administration the most concern. The situation created by the attitude of the Chinese Communists could only be described as grave. He had always felt, in his dealings with the Russians, that they were ruthless and coldly calculating and, consequently, were not likely to push their actions to the point which might bring war. They reasoned well. He did not feel the same way about the Chinese Communists. He thought this was partly due to temperament and to the fact that they were riding the crest of their first revolutionary wave, during which they had already secured what they regarded as victories over the west. They interpreted the results in Korea as a victory because they measured the change from the time they intervened. Then there was the victory over the French in Indo-China, climaxed at Dien Bien Phu. Now, with the withdrawal of the Nationalists from some of the coastal islands they were pushing towards Formosa. Both their propaganda and what information it was possible to secure from other countries indicated strongly that peaceful overtures would only be met with contemptuous rebuffs. The U.K. had endeavoured to ascertain if the Chinese Communists would stop short of an attack on Formosa if the remaining coastal islands were evacuated by the Chinese Nationalists. The suggestion had been rejected out of hand. Krishna Menon, who seemed to have the ear of the Chinese Communist administration, said there was no solution to the problem except the exile of Chiang Kai-shek and the handing of Formosa over to authorities on the mainland. Mr. Dulles felt the Chinese Communists wanted control over the whole arc of the western Pacific outer defences, from the Aleutians through Japan, the Philippines, etc. to Indonesia and perhaps even to Australia and New Zealand. This was perhaps understandable. The régime had been most successful thus far and had much momentum behind it. He doubted if the Chinese Communists would renounce any of their ambitions until they were forced to give them up. He was sure they resented the close proximity of what they regarded as an unfriendly power, namely the U.S.

All of this amounted to a highly explosive situation. Would war be made less likely or more likely by further retreats on the part of the U.S. or the Chinese Nationalists? The matter must be considered not only in relation to the military situation but also in relation to the morale of those on Formosa and in Japan. The latter was the key country in the area. If it became communist and its industrial power was allied to the manpower and raw material of the continent, there would be a formidable combination that would constitute a vast shift in the balance of power in Asia. This would be comparable to combining Germany with the U.S.S.R. In such a case, western defences of North America would be moved back from the Pacific islands off Asia to the shores of North America itself.

The threat in all this was great and the stakes were great. The U.S. government was doing its best to preserve the stakes with a minimum of general war risk. The situation was just as vital for Canada, though the U.S. did have greater commitments by far in the area than her neighbour. He had returned from this last trip to Asia with a sense of foreboding. Other nations in Asia were fearful and he sensed that the situation would collapse unless there was resolute support from the west, and particularly from the U.S., for the non-communist world. There seemed to be a general feeling in the countries he visited that the Chinese Communist régime represented the future.

The Japanese were watching the situation carefully and saying little. The new government there undoubtedly would feel its way towards a closer relationship with the Chinese government on the mainland. It would try to find out who would likely be the dominant power in the area in the future and if it concluded that this would not be the west, Japan would quite quickly accommodate itself to the new situation. In this connection, it had been difficult to convince the Japanese that they had a bright future, economically, in association with the west. The measure to extend the Trade Agreements Act in the U.S. was now before the Congress and the principle obstacles to its passage would be the trade negotiations currently under way with Japan. If the U.S. did not take a sufficient quantity of Japanese goods to enable the Japanese to live, they would find opportunities for export elsewhere and much of their goods would inevitably go to the communists. The latter's standing offer of ample supplies of raw materials was attractive to the Japanese.

In summary, the situation was extremely dangerous both militarily and economically. He was confident, however, that western efforts to secure a lasting peace and stability in the area would be successful, but nothing could be taken for granted and serious efforts were needed for the purpose.

3. *The Prime Minister* said he thought Canada appreciated the seriousness of the situation and he was sure Canadians appreciated the sincerity of the U.S. in their quest for security. He thought that Canadians would understand the enthusiasm of the communists in China and their desire to become the dominating influence in Asia. Canadians, however, were worried over possible chain reactions that might begin with specific incidents. The situation would be dark indeed if the Russians concluded that it would be in their interest to join forces openly with the Chinese Communists and blatantly undertake the occupation of areas now held by the Chinese Nationalists.

4. *Mr. Dulles* said it was quite possible that the Russians were encouraging the Chinese to engage the U.S. in Asia so that great possibilities would be opened up to the communists in Europe. He was sure the Canadian government and people appreciated that the U.S. were not approaching these matters with any desire to accelerate conflict. They had been engaged in a war with the Chinese Communists in Korea which they could have enlarged without too much difficulty. There was, in fact, a large area of responsible opinion in the U.S. that thought this should have been done. The most difficult negotiation he had ever

gone through was that with the Korean government in trying to settle the Korean war and its consequences. The cost to the U.S., apart from the cost of the war itself, had been over a billion dollars, and it had had to undertake very serious commitments.

The U.S. as the principal western power, faced today the most difficult problem any nation can face, — that is for the government to decide precisely when concessions failed to secure the cause of peace. In the 'thirties', many people thought that, if the western European democracies had drawn a firm line sooner, war might have been prevented. If one conceded too often, the potential enemy might come to expect more concessions when the vital point was reached. The U.S. administration felt they were close to the point when such a line might have to be drawn in respect of the Chinese Communists. The final decision, of course, would be up to the President. It would not be taken lightly or before every other alternative course had been examined in the light of the most complete information available. There was no desire in the U.S. to precipitate any fighting. The views and judgments of others would also be considered carefully. It might be that the Chinese were not so bellicose as appearance led one to believe. It was possible that they were carrying on a war of nerves, but one could not be sure. The statement they were said to have made to the Finnish ambassador about possibly losing 100 million lives sounded like a war of nerves, and was really somewhat encouraging.

In response to a question, he said that, if Quemoy and the Matsus were to be properly defended, it would be necessary to bombard certain Chinese Communist positions on the mainland.

5. *The Secretary of State for External Affairs* said there were many people who felt that the line upon which the U.S. and friends would stand should not include these two coastal islands. Many people felt their occupation by the Chinese Communists would just be a cleaning up process incidental to a civil war, and that this could not be regarded as aggressive intervention. The liquidation of the situation by withdrawal of the Chinese Nationalists from these islands might even be a strengthening of the position of those opposed to the Chinese Communists as the point of conflict would be removed to Formosa itself, where the strategic situation was different and the political position more defensible. A great part of Asian opinion would not agree that attacks by the communists on the coastal islands was an evidence of aggression. Formosa, however, was a different matter.

6. *Mr. Dulles* agreed that a case could be made for the proposition that the occupation of Quemoy and the Matsus by the Communists was only cleaning up the remaining details of the revolution. But that was not the case made by China. Efforts had been put forward to find out if this view were true, and the Communists had said quite firmly they were aiming at the liquidation of Chiang Kai-shek in Formosa. The U.S. government had made clear they would not endeavour to hold Quemoy and the Matsus if there were any assurance from the Chinese that they would not go on to attack Formosa. The U.S. had succeeded in getting an agreement with Chiang Kai-shek not to conduct offensive operations against the mainland from those islands. From a military standpoint, it would not be too serious if these islands were abandoned except from the point of view of the morale of the forces on Formosa, in which aspect it would be serious. The Nationalists had absorbed about as much bad news as they could in recent months. If they were forced now to abandon Quemoy and the Matsus, the effects on morale would, he judged, be very serious. The members of the Chinese army from the mainland, on Formosa, were only interested in getting back to the mainland. The U.S. had now given up supporting them in that objective. The U.S. had confined its treaty to Formosa and the Pescadores. They had also endeavoured to arrange a cease fire in the United Nations. They could not do much more without leading to the danger of grave defections by nationalist forces if an attack should

come. He recognized that this was the sort of thing on which it was hard to reach a judgment, but the U.S. government felt that further time was required before administering any further shock to the Chinese Nationalists. One of the last things the U.S. wanted was to put several hundred thousand soldiers in Formosa. This would be a clear indication of the bankruptcy of their alliance with the Chinese Nationalists. One encouraging feature was the fact that Formosans were being brought into the army there and, as this went on, the situation would be gradually improved.

7. *The Prime Minister* thanked Mr. Dulles for his statement on the situation in the far east and assured him that the Canadian government were confident that the President of the U.S. and the Secretary of State were working for peace in the manner which they thought best.

R.B. BRYCE

302.

DEA/11049-40

*Note du secrétaire d'État aux Affaires extérieures
pour le premier ministre*

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

SECRET

[Ottawa], March 19, 1955

SECOND CONVERSATION WITH MR. DULLES

Mr. Dulles called on me again yesterday (Friday) afternoon, again accompanied by the Ambassador and Mr. MacArthur. Messrs. Léger, Heeney and Arnold Smith were with me.

Formosa and the U.N.

I asked Mr. Dulles what his views were about any further United Nations action on the Formosa situation in present circumstances. He referred to his own inclination to go ahead with the resolution which had been worked out some time ago by the U.S., U.K. and New Zealand.⁵ He thought that Sir Leslie Monroe of New Zealand was inclined to agree, but the U.K. Government were opposed to this for various reasons. Mr. Dulles referred to the President's public commitment to take action in the United Nations about Formosa: it was doubtful whether this obligation could be ignored.

Mr. Dulles also said, in this connection, that the matter of the American airmen was by no means forgotten.⁶ It might be necessary soon to admit that the U.N. could do nothing on this: which would raise the question of other methods. Mr. Dulles added however that Hammarskjöld had obtained letters from the next-of-kin addressed to Chou En-Lai, which he hoped might do some good. He said that the Americans had also been persuaded to turn back to the Communists a special group detailed in Korea, in the hope that this would lead to some reciprocal action, but there had been no response.

Mr. Dulles asked what I myself thought about the desirability of further United Nations action on Formosa. I said that we were not a member of the Security Council at present — it was rather agreeable not to have responsibility just now in that matter. However, while we could appreciate the pressures on the U.S. Government, and the disadvantages of doing nothing, it seemed to us that the disadvantages of tabling a resolution in the Security Coun-

⁵ Voir/See Document 717n84.

⁶ Voir/See Document 719n86.

cil would be greater. The resolution would almost certainly be vetoed, and there would then be pressure for some further action, though no satisfactory further action seemed possible under present circumstances. I suggested that U.N. action that failed to accomplish anything was even less satisfactory than no U.N. action at all.

Mr. Dulles said that he certainly did not contemplate asking the General Assembly to take any action, e.g. under the Uniting for Peace resolution. If the Assembly dealt with the matter, he said, those who knew least about the situation would be sure to put forward the most ideas.

There was some discussion about the evacuation of the Tachen Islands. I referred to the impression made in India and Burma by Communist propaganda assertions that the civilian populations on these islands had been kidnapped, and I asked whether any of the inhabitants had in fact been forced to leave. Mr. Dulles said that though there was a natural regret at having to leave their homes, none of the inhabitants had wished to be left behind. He had enquired about this point.

Neutralized Strip in Formosa Straits?

The conversation then turned to the idea of neutralizing a strip of water down the centre of the Formosa Straits, which had occurred to us as a possible step forward.⁷ We had passed this idea on in confidence to the State Department. I said that though the idea seemed to us to have some merit, I had decided not to refer to it in my statement in the House of Commons, as it might be better kept in reserve for the present. Moreover, we certainly would not want to be tagged with anything that could be known as a Canadian proposal, which could lead to any suggestion that we had some special responsibility for enforcing it. Canada had all the international commitments we could presently undertake in view of our limited resources.

Mr. Dulles said that the main objection which he saw to putting forward the idea of a neutralized strip of water at this time is that it might transfer the issue from the simple question of using force to endless examination of details, and could therefore make it possible for the Communists to obscure the situation. If however some private indication could be obtained in advance that the Chinese Communists would accept some solution along these lines, then the situation would be different and a detailed proposal could perhaps usefully be worked out and put forward.

Laos

I said that according to our information the Royal Laotian forces were not strong enough for a showdown with the Pathet Lao forces in the northern provinces. Mr. Dulles commented that when he was there his people had the impression that the Royal Laotian forces could win in a show-down, and Mr. Dulles was therefore in favour of bringing the issue to a head militarily. But since then, Mr. Dulles said, his military intelligence people had made a further assessment and now concluded that there had been such a build-up of Pathet Lao forces that a show-down could not be successful. I said that according to our information the Pathet Lao build-up was in trained men rather than equipment, which they already had. Mr. Dulles said that in particular there had been a serious deterioration in morale among the French. The French were responsible for training the Royal Laotian forces, but in fact they had reduced their own forces from 5,000 to something between one and two thousand men, and because these people had had to give up some of their housing, and for other reasons, they were very dispirited; this poor French morale tended to spread

⁷ Voir/See Document 712.

to the Laotians. The Laotian troops needed training, and the American problem was to see that this was provided, without weakening French prestige, on which France was so very sensitive. He hoped a way would be found to do this, by arranging that the French military mission would be responsible for training, under the King's instructions: while the King would have an American adviser, who would advise him personally on training methods. These the King could pass to the French mission. Mr. Dulles hoped that something along these lines could be worked out and accepted.

Mr. Dulles said that the Americans had arranged to send seven helicopters to Laos, and this should make the International Supervisory Commission's task of supervising the situation in the northern provinces much less difficult. I said that our people would be gratified at this.

Mr. Dulles stressed the importance which he attaches to having the commission vote clearly to uphold the principle of the Royal Laotian Government's authority over the northern provinces. I said that our Commissioner was hoping to do this, but that the Indian Chairman's desire to avoid a split vote and to prevent controversial questions coming to a head, was quite a problem. We had taken various steps, including discussions in New Delhi, and hoped that the delays would be minimized in future. I also referred to the problems created by delaying tactics employed by Polish members of the Military Teams. I emphasized too that the Commission's task was naturally made more complicated when conditions in the south were such that the Polish Commissioner readily found conditions which he could claim needed investigation.

Canadian Participation

I told Mr. Dulles that if there were any honourable way out of the very complicated and difficult responsibilities which we had on the Commissions in Indo-China, we would be glad to get out. Mr. Dulles expressed the heartfelt desire that we would do no such thing, and emphasized the importance which he attaches to our presence on the Commissions.

Elections in Vietnam

The conversation turned to the subject of elections in Vietnam. I said that according to my information there had been a significant change in the situation. Some months ago, if there had been genuinely free elections in Northern and Southern Vietnam, our estimates were that the Communists would win. But the situation in the north had begun to deteriorate, with the flush of victory wearing off, and popular resentment at ruthless oppression beginning to take its place. At the same time, the situation in Southern Vietnam had begun gradually to improve. It now seemed quite possible, therefore, that if genuinely free elections could be held, the democratic candidates would win against the Communists.

Mr. Dulles said that his information strongly confirmed this impression. He recalled that he had stated in a public speech on his return from the Far East that the Communists would be defeated in any genuinely free elections.

Mr. Dulles said that he had told Diem, who previously had been opposed to the idea of holding elections, that as a matter of principle he must be prepared to hold free elections if the Communists would agree. However the chance of Communist agreement was, Mr. Dulles added, slight or non-existent. Something would of course depend on just what "elections" meant. If there were a plebiscite on choosing between Ho Chi Minh and Bao D'ai, as such, most people would choose Ho. Bao D'ai was discredited, to say the least. But if the vote was to elect representatives for a National Assembly, the result could be very different.

Before elections could be held, Mr. Dulles went on, agreement would have to be reached on a wide variety of very complicated questions. For example, what would the vote be for? Who could vote, men and women, or just men? What would they be electing — a National Assembly? How would constituencies be demarcated and organized? There was no kind of groundwork or tradition. If there were to be free elections, there would have to be thousands of inspectors. Mr. Dulles referred to the peripatetic system of taking votes in India, where elections are spread over a considerable period of time. But when the problem was the threat of reprisals if the vote went “the wrong way” in a particular district now under Communist control, such a system of timing would obviously not be satisfactory.

We agreed that an effort must be made by those concerned to reach agreement on free elections: but we also agreed that we didn't know how such an agreement could be obtained.

I told Mr. Dulles that Canada had, thus far, never been asked to take any responsibility for the elections. The invitation from the Geneva powers referred only to the Supervisory Commissions, though the terms of the agreement, which we had noted but to which we were not a party, did of course also refer to the supervision of elections.

I asked Mr. Dulles what he expected to happen if in fact no agreement were reached on elections. He said his guess was that indefinite *de facto* partition, as in Korea and Germany, would prove to be the solution. This might however make the life of the Commission an uncomfortably extended one.

Korea

I told Mr. Dulles that while we had been opposed to hasty action by the democratic side as regards the Neutral Nations Supervisory Commission, we had great sympathy with the United States problem here, and had come to recognize that they were entitled to do what they reasonably could to put an end to a situation whose advantages were solely on the other side.

Germany

Mr. Dulles asked whether we would not reconsider our decision that we could not appoint a chairman for the allied negotiating team to draw up an agreement with the Germans on the status of forces.⁸ I asked him why he attached importance to this, pointing out that we were short of qualified personnel. Dulles gave three reasons for particularly wanting a Canadian:

- (1) the Canadians, he thought, had uniquely good relations with the Germans;
- (2) the Canadian troops had the same kind of problems as the United States forces, and could therefore understand their problems;
- (3) a Canadian would be likely to approach the very difficult and complicated issues in a pragmatic spirit, what he called a “common law” approach.

If the chairman were a national of The Netherlands, Belgium or a Scandinavian country, none of these advantages would apply.

I said that we would re-examine the situation in the light of Mr. Dulles' remarks.

United Nations Anniversary Meeting in San Francisco

Mr. Dulles said that he wanted to look into the possibility of playing down, or calling off, the San Francisco meeting of the Assembly proposed for this summer to commemorate

⁸ Voir/See Document 190.

the tenth anniversary of signing the Charter. If the meeting were held, indications were that it would be a fizzle, and serve to spread disillusion rather than to enhance the U.N.'s prestige.

Continental Defence

At the end of the meeting, the subject of continental defence came up again, and reference was made to the recent United States request for four additional stations in connection with the early warning line, each to have air strips and a couple of hundred American personnel.⁹ I mentioned the political problems and unease inevitably caused in any country by the stationing of foreign troops on its territory. Hitherto, these had been relatively slight in Canada, partly because the installations were mainly in northern and relatively uninhabited areas. Newfoundland was an exception to this. Undoubtedly the American forces had behaved extremely well, and were respected and liked there. Mr. Dulles made no request for further facilities, or the stationing of further forces, in Canada. It was of course recognized that the joint Canadian-United States Military Study Group might well in due course be making further recommendations for military requirements, in the common interest. If and when such military recommendations were made, they would have to be considered by both Governments on their merits. I said that the Canadian Government would I thought wish to meet any future requirements as far as possible by Canadian forces. This would of course have its effect on our ability to maintain forces in Europe at the present levels.

L.B. PEARSON

2^e PARTIE/PART 2

QUESTIONS DE DÉFENSE DEFENCE ISSUES

SECTION A

CONSULTATIONS STRATÉGIQUES STRATEGIC CONSULTATIONS

303.

DEA/50219-AE-40

*Note du sous-secrétaire d'État aux Affaires extérieures
pour le secrétaire d'État aux Affaires extérieures*

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

TOP SECRET

Ottawa, November 30, 1955

MEETING OF CONSULTATION — DECEMBER 5, 1955

As you know, a meeting of consultation is to be held in Washington next Monday, December 5. Hoover, Radford, Grey (Assistant Secretary of Defence for International Security Affairs), Robertson, Elbrick and Miner will be taking part on the United States side. Bryce, Foulkes and I, with Heeney, will be the Canadian participants.

⁹ Voir/See Document 338.

2. The Americans have agreed to our suggestion that the main topics for discussion should be (a) continental defence, (b) Soviet intentions and the effect of the Geneva conferences on Western defence programmes, and (c) the situation in the Far East. We may also refer to the disarmament problem, principally in order to elicit, if we can, some information about the conclusions of the task forces set up under Mr. Stassen.

3. On topics (b) and (c) we shall, of course, try to get some further indication of United States thinking and intentions and I would propose that we should comment along lines which you have already approved. It is topic (a), however, which I expect to occupy most of our attention, and I should like to outline briefly, for your approval, the approach which we propose to take on this subject.

4. We had thought that we should begin by emphasizing our desire to discuss the general trends in North American defence and to take a long-term view. We would then focus attention on three particular aspects of the problem.

5. First, we would raise the question of anticipated developments and programmes for the North American *early warning system* during the next five years in the light of the probable budgetary situation. We would seek to get their views on the magnitude and nature of continental defence, and would probably hope to get some light on whether any budgetary reductions would affect the United States contribution to it.

6. Second, we would refer to developments in the *weapons system* in the next five years. This follows directly from our initiative at the last meeting of consultation in September 1954.¹⁰ You may remember that at that meeting General Foulkes suggested that the stage was rapidly being reached where the development of a suitable weapons system for the defence of North America must be a joint operation in almost every respect. He proposed a series of joint studies with a view to finding a joint approach to the implementation of a revised weapons system. Radford later assured Foulkes that as soon as the legal difficulties had been overcome (by the conclusion of an Agreement for Co-operation in the Field of Atomic Defence)¹¹ such studies could be included in the regular joint machinery for continental defence planning, or could be carried out as a separate operation. I understand that General Foulkes will press at this meeting for an understanding that there will be no restrictions of any kind on the exchange of this sort of information between the forces of the two countries.

7. Third, we intend to discuss the problem of *alerts procedures* in relation to North American defence arrangements. The general problem, of course, is how to reconcile the necessities of military planning with the ultimate responsibility of governments for decision; specifically, it is how to ensure that the Canadian Government has the information it would need to arrive at independent conclusions in an emergency regarding the operation of the continental air defence system and the deployment into or over Canada of the Strategic Air Command. The meetings of consultation themselves were instituted in 1951 in order to discuss developments in the international situation which might give rise to the necessity for the use of atomic weapons.¹² Though we should certainly continue to make use of this good informal channel whenever occasion demands, the meetings of consultation were not designed and would not be suitable to deal with the specific and urgent problems which would arise in an emergency. The technical arrangements which were worked out in 1952, to ensure prompt consideration by the Canadian Ministers concerned of United States requests for overflight of Canada by certain types of military aircraft, also

¹⁰ Voir/See Volume 20, Document 493.

¹¹ Voir/See Document 454.

¹² Voir/See Volume 17, Document 699.

have a limited usefulness but are clearly inadequate to meet Canadian requirements especially in the light of our growing interdependence on air defence. What is needed is an arrangement for the exchange and evaluation of strategic information of a kind which might lead to a decision to take emergency measures or even to go to war, and a firm understanding on the necessity for consultation at the highest political levels of the two governments on the action to be taken as a result of that information.

8. We believe that the time is propitious for raising this matter in Washington. The United States Government has just agreed in principle, after six months consideration, to the procedure which was proposed by the United Kingdom authorities, after consultation with us, for dealing on a tripartite basis with indications of Soviet aggression in the NATO area.¹³ The essence of this procedure was, you will recall, that such information would be exchanged automatically, and that the heads of government or foreign ministers of the three countries would then consult as to their assessments of the situation, and discuss possible action, before proposals for action were put to other friendly governments. It was the intention of the United Kingdom authorities, if the United States Government agreed to the principle, to propose working out an urgent or telescoped procedure between the three parties to deal with surprise attacks, and also to propose elaborating later a parallel procedure for other areas of the world such as the Middle East and Far East. The United States reply, however, says that "no decision should be taken at the present time about the possible adaptation of these procedures to other areas of the world", and proposes that there be further exploration between the State Department and the two Embassies in Washington of "the procedures for political consultation".

9. We would not wish to get involved at the meeting of consultation in a discussion of the tripartite procedure, or to prejudice in any way the talks which we will no doubt wish to have later with both parties on this procedure. It might help to avoid any possible unfortunate impression if we were to explain frankly to the British after the meeting that the question of alerts was discussed in our consultations with U.S. officials in relation solely to our joint continental air defence arrangements.

10. On the other hand, the growing interdependence of Canada and the United States in the air defence field makes it essential, in my view, that we seek to obtain now a firm understanding on the procedures to be adopted in this context, not related (as the tripartite procedure is) to the NATO system of alerts or to any particular set of circumstances. We propose, therefore, if you agree, to put to the Americans for their consideration a formula in the terms set out in the annex to this memorandum.¹⁴

J. L[ÉGER]

¹³ Voir/See Document 185.

¹⁴ Note marginale :/Marginal note:
I agree L.B. P[earson]

[PIÈCE JOINTE 1/ENCLOSURE 1]

Note du sous-secrétaire d'État aux Affaires extérieures
Memorandum by Under-Secretary of State for External Affairs

TOP SECRET

[Ottawa, November 30, 1955]

ALERT PROCEDURES

The general problem is how to reconcile the necessities of military planning with an ultimate responsibility of governments for decision. From our point of view specifically a formula must be found to ensure that the Canadian Government has the information it would need to arrive at independent conclusions in an emergency regarding the operation of the continental air defence system and the deployment into or over Canada of the Strategic Air Command.

2. The technical arrangements now in operation were worked out in 1952; these are related to United States requests for overflight of Canada by certain types of military aircraft. In this field they are useful but are clearly inadequate to meet Canadian requirements especially in the light of our growing interdependence on air defence.

3. With the setting up of our radar lines in northern Canada, we will eventually obtain most valuable *tactical information*; what is needed now is an arrangement for the exchange and evaluation of *strategic information*, information of a kind which might lead to a decision to take emergency measures.

4. We welcome the acceptance by the United States of the procedures for tripartite discussions on indications of Soviet aggression in the NATO area. We are not concerned, however, with this aspect of the problem of alerts but solely on the more restricted aspect of the question related to the problem of alerts on continental defence.

5. We believe that the growing interdependence of Canada and the United States in the air defence field makes it essential in the interest of both countries that we obtain a firm understanding on the procedures to be adopted in this context, it being understood that they are in no way related to the NATO system of alerts or to no particular set of circumstances.

6. Attached is a formula which might be considered in this respect.

[T]o be left as a working paper.¹⁵

J. L[ÉGER]

[PIÈCE JOINTE 2/ENCLOSURE 2]

*Annexe**Annex*

TOP SECRET

[November 30, 1955]

[FORMULA]¹⁶

1. The United States and Canadian Governments agree that they will invariably and immediately inform each other when they receive information of a kind which, if

¹⁵ Léger a ajouté cette phrase à la main./Léger added this sentence by hand.

¹⁶ Note marginale :/Marginal note:

We are setting up tactical information; this deals with strategic [information] [Jules Léger]

examined, might cause either to conclude that there was a possibility of hostilities occurring.

2. The criterion for passing information of this kind between the two Governments might be defined as the receipt of information which could call for rapid action on the part of the intelligence authorities in Canada or the United States,¹⁷ this could, although not necessarily, coincide with the calling of a "crash" meeting of the United States Watch Committee or Intelligence Advisory Committee, or the Canadian Joint Intelligence Committee.

3. Under such a criterion, the Governments agree that, for the duration of the incident calling for such action, the United States and Canadian authorities, particularly the intelligence authorities, will automatically pass to one another all the relevant information, including the background necessary to understand the problem and their respective assessments of the problem.

4. Where consultation at a higher level, including Ministers, also became necessary, such an arrangement should ensure that Ministers would be fully in possession of the necessary facts upon which to base their consultations.

304.

DEA/50219-AE-40

*Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis*
*Secretary of State for External Affairs
to Ambassador in United States*

TELEGRAM DL-2039

Ottawa, December 2, 1955

TOP SECRET. IMMEDIATE.

Reference: Our letter number DL-1647 of December 1, 1955.†

MEETING OF CONSULTATION, DECEMBER 5

Following for the Ambassador from Macdonnell: The Minister has approved the general line proposed in the memorandum of November 30 which is included in the binder attached to our letter under reference. He thought however that the word "possibility" in paragraph one of the formula annexed to the memorandum was perhaps too vague to indicate the nature of our requirements. Bryce and Léger, who had a preliminary discussion of the whole problem yesterday afternoon, were inclined to feel that the word "likelihood" might be more appropriate in this context. They would like to discuss with you and Foulkes before the meeting the best way to raise the question of alerts, and particularly to have your views on the advisability of tabling the formula at the meeting. You might have a few extra copies of it made with the suggested change.

¹⁷ Note marginale :/Marginal note:

Intelligence Agencies [providing?] they will do it [Jules Léger]

305.

DEA/50219-AE-40

*Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis*

*Secretary of State for External Affairs
to Ambassador in United States*

TELEGRAM DL-2081

Ottawa, December 10, 1955

TOP SECRET

Reference: Your telegram No. 2016 of December 9, 1955.†

MEETING OF CONSULTATION

Following from the Under-Secretary, Begins: The amendment to the formula which I made in the text as you have it occurs at the end of paragraph 1, which should conclude with the words "in which North America would likely be attacked", following the words "hostilities occurring".

2. In the memorandum on alerts procedures, covering the formula, I changed the first sentence of paragraph 4 to read "we welcome recent developments for tripartite discussions on indications of Soviet aggressions in the NATO area."

3. Having in mind the desirability of making progress in tripartite discussions, I wonder what you think about explaining frankly to Makins that the question of alerts was discussed in our latest series of consultations with United States officials (on which I believe that we have kept them informed in the past) but stressing that the alerts question was raised solely in relation to our joint continental air defence arrangement. ends.

306.

DEA/50219-AE-40

*L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures*

*Ambassador in United States
to Secretary of State for External Affairs*

TELEGRAM 2044

Washington, December 15, 1955

TOP SECRET

Reference: Your telegram No. DL-2081 of Dec. 10/55.

MEETING OF CONSULTATION: ALERTS

We gave yesterday to Miner in the State Department the formula as amended. We found that Miner (who was the recording Secretary at the consultation meeting) regarded this formula as clear and definite and therefore as helpful. He also understood that the consultation meeting had agreed that each side should appoint a civil and military representative to discuss bilateral alerts on the basis of the Canadian formula.

2. We suggested that a meeting between these four people might usefully take place in January in Washington. When Miner asked for any suggestions about the type of persons, we suggested that they should not be such as would make the conversation too technical, but should be adequately informed on intelligence structures and channels of exchange.

3. For the Canadian representatives, we would be inclined to suggest that the Chairman of the JIC and a representative of General Foulkes might come for the meeting rather than that the Chancery and the Joint Staff should supply representatives. The reason for this suggestion is that such officials from Ottawa would be fully aware not only of the Canadian requirements, but of the exact results which were desired.

4. We have now informed the British Embassy that this discussion on bilateral alerts was held at a meeting primarily concerned with continental defence. We made it clear that our concern for bilateral procedures did not in any way lessen our interests in the tripartite suggestion.

5. It seems to us that the procedure agreed for the bilateral problem might usefully be applied, and probably later, to the tripartite scheme. We would also suggest that it be left to the British Embassy here to consult with the Foreign Office, although you may wish to keep Canada House informed.

6. When we talked to the State Department earlier about their aide mémoire of November, it was indicated that the lack of clarity was in part due to the nature of the United Kingdom paper to which it was an answer. We have, therefore, explained this to the British Embassy and suggested that it would be helpful if they could get their proposal more complete by covering points which you have covered in your formula for the bilateral plan. This, of course, need not necessarily result in a further formal document, but should be available when tripartite discussions are planned.

7. From the various conversations we have had here we would suggest that a formal reply to the United States aide mémoire should not be made at this time, but that we should look forward to discussions between officials modelled on the bilateral discussions and with more complete proposals prepared by the United Kingdom (and acceptable to ourselves).

A.D.P. HEENEY

307.

DEA/50219-AE-40

*L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures
Ambassador in United States
to Secretary of State for External Affairs*

DESPATCH 2047

Washington, December 21, 1955

TOP SECRET

MEETING OF CONSULTATION OF DECEMBER 5

The meeting of consultation with the United States authorities took place on December 5. I attach for your information four copies of our record of the meeting. The record follows the customary pattern in that it is as close to a verbatim account of what was said on each side as it was possible to make. It is not an agreed record with the United States side. The records which each side kept have, however, been compared in draft and there are now no significant differences in them. I should be grateful if you would let me know of any revisions which may be considered necessary in Ottawa.

2. While the preparatory arrangements were being made we sensed a lack of any real enthusiasm among United States officials for the meeting of consultation. There was, how-

ever, a definite and evident change of heart in the two or three days immediately preceding the meeting. Certainly, a first-class team was fielded on the United States side. We have reason to believe as well that the discussion at the meeting served to sustain the interest of senior United States officials and to confirm them in the belief that periodic consultations of this sort between our two countries were important.

3. We believe that the meeting served a useful purpose even though some of the same deficiencies as characterized earlier meetings of consultation were apparent. The most obvious of these was the inclination of the participants on the United States side to read from prepared briefs. The discussion of the Far Eastern situation, and particularly of policy towards China, however, represented a welcome break in the pattern. We would hope that the kind of exchange which took place on this subject could come to be representative of the kind of exchange which future meetings of consultation might provide. There was relatively little discussion of Soviet intentions and capabilities, particularly in the political field. There were probably two reasons for this — the broad measure of agreement between us and the time involved in discussion of the other main items on the agenda.

4. This most recent meeting again confirmed us in the belief that what we get out of these meetings of consultation bears direct relationship to the strength of views we bring to the meeting. It is not essential that the Canadian participants attempt to supply new information on specific topics of international concern. It is important, however, that the Canadian side have a definite and logically argued view on a specific subject if we hope to get a significant response from the United States side. The presentation of our views at this meeting on the matter of the recognition of China and the situation in the offshore islands is a good example of what we have in mind. As we have suggested in separate correspondence since the meeting (our telegrams 2051 and 2052 of Dec. 16),¹⁸ there is much to be said for developing further with the State Department the views on China which were briefly exchanged at the meeting.

5. Specifically, this most recent meeting of consultation provided us with an opportunity—(a) to reveal the concern of the Canadian Government at the cost in terms of money and manpower of our joint programme for the air defence of the continent and to indicate our need for United States understanding and assistance in specific aspects of our joint programme; (b) to put to the United States side our views on the necessity of further examination of a bilateral system of alerts procedures; and (c) once again to point up the differing views of the Canadian Government on certain aspects of the China problem. Discussion of these topics was not of course exhausted at the meeting but we think a sound groundwork was laid for further discussion of the topics in the months ahead. We should mention too that the meeting led to separate conversations between the Under-Secretary and interested State Department officers on Indochina and on Europe-after-Geneva. These talks might, of course, have been arranged whether there had been a meeting of consultation or not, but we are inclined to believe that they were the more useful because they followed up general points raised at the meeting of consultation.

6. As you know, I have at times been somewhat dubious of the value of continuing these periodic meetings of consultation. With this last meeting in mind, however, I would recommend that we do continue the practice. The Under-Secretary invited his United States colleagues to hold the next meeting in Canada and we think there is much to be said for this. A meeting in Canada, we hope, might serve to free the United States participants from their overly-intimate attachment to briefing papers, psychologically at least, and this would

¹⁸ Voir les documents 752-753.
See Documents 752-753.

be a good thing. Our purpose, it seems to me, should continue to be that of making the meetings into an informal and free exchange of views among senior officers of both governments rather than simply a meeting where formal briefs are read or tabled. The only danger we foresee in making arrangements for a meeting outside the United States lies in the possibility that the pressure upon senior officials here might lead to the fielding of a United States second team. Finally, I think one procedural suggestion might be considered before another meeting of consultation is planned, and that is, that the discussion period should perhaps be divided somewhat more definitely than has been the case. Continental defence will continue to be a subject of prime importance for discussion at these meetings. There might be something to be said, therefore, for planning the meeting so that continental defence could be discussed prior to, or following, a lunch period. Other topics in the field of international political problems could then be taken up somewhat separately from this concrete bilateral problem.

A.D.P. HEENEY

[PIÈCE JOINTE/ENCLOSURE]

*Compte rendu de la réunion de consultation
entre les représentants des Gouvernements du Canada et des États-Unis*

*Record of Meeting of Consultation between Representatives
of Canadian and United States Governments*

TOP SECRET

December 5, 1955

The meeting which was held in the State Department under the chairmanship of Mr. Herbert Hoover, Jr., the Under-Secretary of State, was attended by:

Admiral Arthur W. Radford,
Chairman of the United States Joint Chiefs of Staff
Mr. R. Douglas Stuart,
United States Ambassador to Canada
Mr. Walter S. Robertson,
Assistant Secretary of State for Far Eastern Affairs
Mr. Livingstone T. Merchant,
Assistant Secretary of State for European Affairs
Mr. Gordon Grey,
Assistant Secretary of Defence for International Security Affairs
Mr. C. Burke Elbrick,
Deputy Assistant Secretary of State for European Affairs
Mr. Charles Sullivan,
Chief, Policy Division, Office of Foreign Military Affairs, Department of Defence
Mr. Robert G. Miner,
Officer in Charge of Commonwealth Affairs

for the United States Government, and by

Mr. J. Léger,
Under-Secretary of State for External Affairs
Mr. A.D.P. Heeney,
Canadian Ambassador to the United States
Mr. R.B. Bryce,
Clerk of the Privy Council and Secretary of the Cabinet
General Charles Foulkes,
Chairman of the Canadian Chiefs of Staff
Mr. G.P. de T. Glazebrook,
Minister, Canadian Embassy, Washington

Rear Admiral H.G. DeWolf,
Chairman of the Canadian Joint Staff, Washington
Mr. J.J. McCardle,
Canadian Embassy, Washington

for the Canadian Government.

2. The agenda of the meeting consisted of three items:

- (a) Continental Defence
- (b) Soviet Intentions
- (c) The Situation in the Far East.

3. Mr. Hoover welcomed the Canadian visitors. Mr. Léger expressed his appreciation at having the opportunity to discuss matters of mutual concern with his United States colleagues. Mr. Hoover suggested that he might lead off with a few general remarks. Mr. Léger agreed.

Introduction

4. *Mr. Hoover* thought that the timing of this meeting of consultation was most propitious in that the meeting followed upon the Geneva meeting of the Foreign Ministers and came just before the NATO ministerial meeting. Before the meeting got to the agenda, he would like to speak briefly of the Geneva meeting and the forthcoming NATO ministerial meeting.

5. There had been no specific progress on the individual agenda items at Geneva. No solution had been achieved of the problems of the reunification of Germany. It was made apparent at Geneva that the USSR would not release its hold on East Germany. What bothered the Russians was obviously not concern for Soviet security but the prospect of a relaxation of the Soviet grip on East Germany. The Soviet stand on disarmament was essentially negative. Molotov repeated the arguments set out in the Soviet paper of May 10 and was extremely critical of the proposals for aerial inspection made by President Eisenhower at the Summit Meeting. Consideration of the question of East-West contacts was stymied by the Russians. They rejected the concrete proposals put forward by the West. Their real fear seemed to be the effect which freedom would have on the peoples under their control. They would only consider a narrow field of contacts which would offer advantage to them.

6. It was Mr. Dulles' general view that the Russians had been more unyielding at Geneva than might have been anticipated. They showed no willingness to offer even minor concessions. This unyielding attitude suggested that the "Geneva spirit" was on the whole regarded by the Communists as a relative liability to their cause. The relaxation of tensions implicit in the "Geneva spirit" created difficulties for the USSR in dealing with its satellites. It seemed clear that the Soviet Union had come to the conclusion that any weakening of its hold on East Germany would have a bad effect on its position with respect to the satellites. It was Mr. Dulles' view, however, that in spite of the lack of progress at Geneva, the meeting had been useful. It had provided for a confrontation of views in such a fashion that there could be no misunderstanding of each other's views. By revealing the positions of the parties most clearly it had provided the basis for a more accurate judgment of the future than would have been possible if the meeting had not been held. There was effective tripartite co-operation at the Geneva meeting, probably more effective than at any other such meeting. There had been no agreement to another meeting. In the United States view there would be no purpose in scheduling another meeting unless there was a change in the world situation or in the Soviet attitude. The United States anticipated that there would be another meeting of this sort sometime in the future but at present the United States had no idea as to the timing of such a meeting. The meeting had re-enforced the United States

view that the strength of the free world partnership must be maintained. The maintenance of this strength was likely to be the only thing which would bring about a change in the Soviet attitude.

7. Turning then to a brief consideration of the NATO ministerial meeting, *Mr. Hoover* said that the United States would carry to that meeting its belief that the Soviet purpose of securing world domination remained unchanged. The Russians were pursuing less crude methods than they had employed in the past but their purpose remained the same. Against this background it was apparent that the preservation of NATO was an essential need. It seemed more than ever important that NATO military strength should be maintained. The long-haul concept was a valid concept. It seemed equally clear that NATO should play its part in bringing about an awareness in the free world that current Soviet tactics did not represent a change of Soviet objectives. These tactics should be resisted and the members of NATO should stand together wherever that was possible.

Continental Defence

8. The meeting then turned to consideration of the first item of the agenda, continental defence, and *Admiral Radford* spoke first. He said the probable development of the early warning system for the continent could be considered under two major headings—(a) warning of attack from the air, and (b) warning of attack from the sea. So far as the first was concerned, the United States envisaged no major changes in the next five years in the early warning systems currently being constructed. There would have to be, however, technical improvements, one of which would be with respect to automatic alarm systems. It was estimated that the land-based system could be brought to 100% efficiency in the next five years. On the other hand, the seaward system could probably only be brought to 80% efficiency and would have even less efficiency in bad weather. It was apparent that other means beyond those already planned were required for the seaward detection of an enemy force.

9. At present the seaward extensions of the Early Warning System in the Pacific were planned to run from Kodiak to Hawaii and in the Atlantic from Newfoundland to the Azores. The United States Joint Chiefs were considering changes in both seaward extensions. In the Pacific it seemed likely that they would recommend the line running from Adak to Midway Island. This would provide for greater protection. It would also allow the use of the Aleutians as a land base for part of the system. This change in plan had not yet been approved by the United States Joint Chiefs and before approval in its final form the change would be discussed with the Canadian authorities. So far as the Atlantic extension was concerned, he was aware that the Canadian Chiefs of Staff were not satisfied with the present plans. There was some difference of opinion as well among the United States military. The USAF had favoured a line running from Greenland to the Azores. The U.S. Navy was not happy with the choice of Greenland. Alternatives to the current plans were being studied. The U.S. Navy preferred a completely different plan which would run the line from Greenland to Iceland to the island chain off the northern United Kingdom. The main objection of the Continental Defence Command was that such a line was open to "spoofing". *Admiral Radford* said he himself had some preference for the Greenland-Iceland-U.K. system. It did emphasize the political importance of keeping Iceland in the free world camp and recent political developments there troubled him a great deal. In time, consideration would have to be given to the detection of long-range missiles. *Admiral Radford* said he believed it would be possible to do this with additional equipment.

10. Submarine-launched missiles presented an even more complicated problem and at the moment the best defence against them seemed to be the destruction of the submarine itself.

To achieve this purpose improved airborne, surface, and subsurface detection methods were required. With the advent of nuclear-powered submarines significant technical advances would be required. Anti-submarine operations would continue to be less effective in the higher latitudes because of winter weather and the band of poor SONAR conditions. By 1960 LOFAR would be installed in the ocean areas. There would, however, be serious deficiencies in the system. CODAR might help to remedy some of these deficiencies and it was expected that this technique would be in operational status by 1960.

11. In general terms then, in the next five years completion of the early warning systems which are now being established was the goal. Qualitative improvements in the systems should be the major objective.

12. In the field of research and development of weapons employed in continental defence, the inadequacies of present radar detection systems was of the greatest concern. To overcome low altitude inadequacies, the USAF had programmed 64 low altitude radar gap fillers scheduled to begin operations by June 1956 with 161 additional gap fillers to begin operations by June 1957. So far as high altitude radar problems were concerned, there was a programme for a high-powered FPS-3 radar to begin operations by June 1956 to provide overlap coverage in the system at approximately 60,000 feet by mid-1957. A new radar programme (AN-FPS-7) now in production will become operational in late 1957 and be completed by late 1959 with radar to provide coverage up to 100,000 feet at 160 nautical miles. By 1960 it was estimated that airborne early warning and control aircraft would have a detection range of 150 nautical miles covering the horizon from sea level to 60,000 feet and with a capability of controlling 10 interceptions simultaneously and of integration into the land-based SAGE system.

13. The U.S. Navy had also programmed improved equipment both airborne and shipborne. In addition to the same types of airborne equipment programmed by the USAF, plans existed for the installation of a limited number of ultra-high frequency radars to enhance detection capability in conditions of high sea and stormy weather. Cruisers and larger vessels would also be equipped with search radars having a range of 200 nautical miles against a B-47 target and a range of 50 miles for destroyer escort and smaller vessels. Submarine radar ranges should be 35 to 50 miles. Admiral Radford spoke next of improved aircraft and control equipment. The USAF was planning to integrate the SAGE system as part of Continental Air Defence commencing in 1957 and to be completed in 1960. The schedule provides 70 sets by the end of fiscal year 1956, 80 additional sets by end of fiscal year 1957, and a further 18 sets by the end of fiscal year 1958. The U.S. Navy was improving the intercept capabilities of picket ships by development of the Electronic Display System. The link in the acquisition and control system represented perhaps the most serious deficiency, and accelerated programmes are under way to improve the situation mainly by increasing radar power output and employing larger antennas. The USAF contemplated a change-over to the time-divided link during the period 1958-60.

14. Admiral Radford turned then to consideration of the aircraft programme for the next five years. The following new all-weather interceptor aircraft would be integrated into the Continental Air Defence System to replace current subsonic all-weather interceptors:

(a) The F-102A, a supersonic single place all-weather fighter which would be operational by mid-1956, with a combat ceiling of 53,500 feet and a speed of mach 1.2 and equipped with 6 FALCON missiles and 36 2-inch rockets;

(b) The F-102B, due in late 1958, with an effective combat capability at 60,000 feet, a speed of mach 2, and approximately the same armament as above;

(c) The XF-103, an experimental plane whose first flight would be made in late 1957, with a performance ceiling of 80,000 feet, a speed of mach 3.7, and a combat radius of 375 nautical miles;

(d) The F-100C, a superior fighter-bomber equipped with the FALCON or SIDEWINDER missile which would be used to augment the regular air defence forces and which should be operational by mid-1957;

(e) The F-104A weapons system to provide daylight and limited night defence against enemy fighter and bomber aircraft. It should have a combat ceiling of 60,000 feet, a speed of mach 2, and a radius of action of approximately 815 miles. The first operational squadron was expected early in 1957.

15. There was in the planning stages a long-range interceptor aircraft with a radius of 1,000 nautical miles and a combat ceiling of at least 60,000 feet, which would not be operational before 1960, and a mid-range interceptor with a combat radius of 350 nautical miles, a combat ceiling of 75,000 feet and a speed of mach 2.5. The U.S. Navy was developing a fighter aircraft with a speed of 1130 knots and a combat ceiling of from 35,000 to 55,000 feet.

16. In the field of aircraft armament the following developments were included in the programme:

(a) The FALCON missile (USAF) with a speed of mach 3 and a range of one to five miles; expected to be operational in 1956.

(b) The F-8V3 (USN) equipped with 4 SPARROW missiles and SIDEWINDER missiles, both of which were difficult to jam electronically; the missiles were expected to be effective against targets flying well below 1,000 feet.

17. In the field of surface-to-air missiles, the following were planned for integration into the air defence system:

(a) Nike "B"—with a range of 50 nautical miles, a ceiling of 80,000 feet, and capable of bearing an atomic warhead. It could be ready by 1958 to 1960;

(b) "Hawk"—with a range of 13 nautical miles and capable of engaging 1,000 knot targets at altitudes from 50 feet to 45,000 feet. It was estimated to have a kill rate of 80%;

(c) "Terrier"—with a range of 10 nautical miles and a ceiling of 40,000 feet. It was also useful for low altitude kills since it will be able to engage targets at altitudes down to within 1.5 degrees from the horizon;

(d) BOMARC—a long-range missile now under development. Initially it was to have a range of 125 nautical miles and a ceiling of 60,000 feet, which it was hoped could be extended to 250 nautical miles with a ceiling of 80,000 feet. Its speeds would range between mach 2.65 and mach 3;

(e) TALOS (USAF)—a land-based missile which was regarded as an interim development to that of the BOMARC. It could be equipped with a nuclear warhead and should be available in 1958; it was hoped the missile would eventually have a range of 100 nautical miles and an altitude capability of 70,000 feet.

18. Considerable work was being done in the field of mines and by 1960 there should be a new family of such devices which were capable of being launched from supersonic aircraft as well as from surface vessels and submarines. It was planned as well that by 1960 an improved under-water sound surveillance system would be in operation. Added to these developments would be the "Betty", an anti-submarine atomic depth charge, and "Lulu", another 1200-lb. atomic depth charge. It was expected as well that homing torpedos would be developed to a greater extent.

19. *Admiral Radford* said that he preferred not to deal with the question of alerts at this time since he had discussed the problem in general terms recently with General Foulkes,¹⁹ and the matter was under consideration by the two Air Staffs.

20. *General Foulkes* said he had no substantial comment to make on the programme outlined by Admiral Radford. Canadian authorities were somewhat anxious about the sea wings of the Early Warning system. They were not happy at the termination in Newfoundland of the three land-based Early Warning Systems. At present the important bases in Newfoundland had a maximum of four minutes early warning. This gap occurred on the most logical route for bombers from the Murmansk area. The Canadian authorities liked the look of the Greenland-Iceland-U.K. line.

21. *Admiral Radford* repeated his concern over the situation in Iceland. Political developments there, he thought, might create a real difficulties.

22. *General Foulkes* expressed the opinion that the early warning system devised to offer warning of air attacks should not be isolated from the system devised to warn of seaward attacks. It seemed to him that there was a possibility of combining the systems devised for sound surveillance, the picket ship system and the air defence warning systems.

23. *General Foulkes* then outlined current Canadian thinking on continental defence. He said that the progress on both the DEW line and the Mid-Canada line had been mentioned at the last meeting of consultation. There was no need to go over the same ground again. He would simply repeat that both lines were expected to be in operation by 1957. There had been difficulties last winter, particularly in the matter of sea transport. A thorough study of the problem of resupply, particularly of the western section of the DEW line, was required and a group of experts from both countries had it under consideration. Last winter's experience made it clear that as much use as possible should be made of the Mackenzie River system. An early warning operational group had been set up in New York to work out operational plans and procedures which would ensure that the DEW, Mid-Canada, and the PINETREE systems were fully integrated. Some changes were being recommended in the security policies covering the system. It was the Canadian belief that reasonable and wise publicity about the early warning system would add to its value as a deterrent. Amendments were being suggested which would allow for conducted visits of members of the press and it was hoped that the first visit would take place in March or April of next year.

24. Agreement had been reached on the agencies for operating and maintaining the early warning system for the first three years. The civilian organizations which built the lines would be allowed an opportunity to make them work. It was expected that a contract for a civilian organization to operate the Mid-Canada line would be negotiated shortly.

25. There seemed to be no outstanding bilateral problems in relation to the early warning system except the possibility that the enemy might be able to "spoof" these lines and create alarms which might bring the system into disrepute. He had raised with Admiral Radford about a month ago the question of arrangements for assessing and clearing alarms which might be created in the system. It was always possible that flights of geese might trigger parts of the system. It seemed essential that procedures should be worked out so that these alarms could be cleared at a fairly high level to avoid alarming the general public. The danger that more panic than assurance might be created in the public mind had to be avoided.

¹⁹ Voir/See Document 184.

26. The Air Defence Commanders in both Canada and the United States were authorized to call a simple alert. Under existing arrangements the calling of a simple alert in one country would automatically call an alert in the other. In the Canadian view it seemed a bit too risky to allow this decision to be taken in isolation. There should be clear association with other items of intelligence such as "Y" reports on signal activity in the air-fields in Siberia and Murmansk and by consultation. In the Canadian view it seemed that the possibility should be investigated of consultation on at least the Chiefs of Air Staff level before action was taken to declare a simple alert. There was a clear association between tactical information and strategic planning. There was room for joint endeavour in this field and there should be some preparations made to deal with the problem in the not too distant future.

27. *Admiral Radford* interposed to say that the Chiefs of the two Air Staffs were reviewing the details of the calling of alerts. He believed, therefore, that detailed examination of this question might be put off until the consultations between the Air Chiefs had been completed.

28. *General Foulkes* went on to say that a reappraisal of the Canadian air defence efforts had just been completed. The reappraisal had been necessary because of the considerably increased costs of developing in Canada a supersonic fighter to come into service some time around 1962. It was found that the development of this fighter would cost approximately \$3 million a copy. This, along with other requirements for continuing to modernize the air defence system, had created some alarm within the Canadian Government regarding the future costs of air defence. To continue with the present plans would seem to require a doubling of the air defence budget in the next five years.

29. Some of the major points which emerged from the Canadian reappraisal should be mentioned for they had an impact on the joint plans for the defence of North America. They created, as well, serious problems for the solution of which United States assistance might have to be sought. The basis of the reappraisal was the assumption that by mid-1959 the USSR could by a major effort launch an attack on North America which would be much more damaging than had been considered possible heretofore. With a major effort the USSR could launch approximately 600 long-range bomber aircraft against North America, including 200 jet heavy bombers and about 400 medium bombers, perhaps not all carrying atomic bombs. While little was known of Soviet capability in the field of air-refuelling which would be essential in such an operation, it was considered that this technique was one with which the Russians could soon become familiar. It appeared evident that the deterrent and war-making capacity of the North American continent could not tolerate more than 50 to 100 thermo-nuclear bombs. This meant that more than 500 of the potential Soviet bombers would have to be destroyed en route, in the perimeter regions beyond the built-up areas of North America.

30. These facts had the effect of greatly expanding the area to be defended from the original conception of defending the heavy industrial heartland of Canada and the United States. The vital target area was now a continuous zone extending from the Atlantic to the Pacific and penetrating deep into the southern regions of the United States. Furthermore, long-range capability of the latest Soviet jet bombers was so increased that attacks on the North American continent could come not only from the north but also from the east and west, and perhaps some day from the south. It was obvious that there was now a requirement to achieve a marked increase in the probability of inflicting destruction on an attacking bomber force. One of the most promising ways of achieving this appeared to be the introduction into the air defence system of guided missiles both air-to-air and surface-to-air. The development of the air defence system was affected by two prime considerations:

(a) the immediate need for substantial improvement in the protection afforded vital target areas; and

(b) the need to ensure to the maximum possible extent that any expenditure of resources in the immediate years ahead should continue to serve a useful purpose after the introduction of long-range missile defences.

In other words, any new air bases, especially in Canada, should be established with a view to the possibility of their being converted to ground-to-air missile bases at minimum expense. The air defence of North America required that forces in being at war stations in peacetime as well as in war be at a high standard of training and in continuous readiness. The air defence system must be such that it would convince the Russians that we had the ability to preserve and protect the retaliatory capacity of North America. The task of defending these bases should take priority over the task of protecting centres of population because the bases were essential to the deterrent which we hoped would be the sure way of avoiding catastrophe.

31. The most urgent requirements in Canada stemming from these concepts were:

(a) the extension of the base complex across the country from which defending forces could intercept, identify and destroy enemy bombers or other weapon carriers well in advance of the vital target area and where possible beyond the settled parts of Canada in order to minimize the effects of fall-out;

(b) the extension of contiguous radar cover and the introduction of suitable automatic data handling facilities to allow the forces of this base complex to perform their tasks efficiently;

(c) the improvement of the present all-weather fighter (CF-100) to give it increased altitude; and its re-equipment with an air-to-air missile (SPARROW II) which would give it a capability against Russian bombers until a supersonic fighter can be produced.

32. These conclusions required extension of the Canadian base complex to a total of 15 bases across the country and would require additional squadrons and radar. It had been decided not to rely on auxiliary forces for the front line defence of North America. This decision would involve the introduction of further regular squadrons to the Canadian air defence system. Joint studies now showed that it would be necessary to introduce 26 additional heavy radars into the system, of which 13 would be introduced between now and 1958. This would give us the capability of intercepting beyond the settled part of Canada and would provide high cover from 20,000 to 60,000 feet. However, it would still leave a considerable gap below 20,000 feet in low cover between the mid-Canada line and the PINETREE system. This would involve the introduction of 120 unmanned gap-filler radars behind the mid-Canada line.

33. The likelihood of mass attack on the continent necessitated the abandonment of the manual system of control and the introduction of the semi-automatic guidance devices and computers to provide a semi-automatic ground environment. This ground environment, known as SAGE, was well advanced in the United States and it would appear advisable to adopt SAGE in the areas of Canada contiguous to the United States. It was expected that a combination of SAGE and BADGE, a less sophisticated and cheaper system which could be used in the northern regions would have to be introduced by Canada.

34. Finally, it was the Canadian belief that there should be greater collaboration between Canada and the United States in developing counters to electronic counter-measures, i.e., highly effective radar jammers which might be used by the enemy. This was a highly classified subject. It was a vital matter, however, to Canada as it was to the United States, and a solution to the problem should be worked out together.

35. *General Foulkes* said that the following requirements would have to be met to give effect to this revised air defence concept:

(a) six additional regular fighter squadrons; it was hoped that three could be created in 1955-56 and three in 1956-57;

(b) an increase of 10 interceptor bases to cover the whole of Northern Canada, to be sited and planned so as to be capable of handling surface-to-air guided missiles as and when they might be introduced into the system sometime after 1962;

(c) introduction of 26 additional heavy radar units plus more than 120 gap fillers; 13 of these heavy radars should be introduced by 1958 and would give a capability of carrying out initial interception about the Mid-Canada line;

(d) the introduction of a semi-automatic ground environment tied in with the U.S. system of SAGE with a less sophisticated system in the more isolated parts of Canada;

(e) the further improvement of the present all-weather fighter (CF-100) to give greater altitude, and the introduction of an air-to-air guided missile into this aircraft; it appeared that the U.S. Navy SPARROW II missile met Canadian requirements and it was hoped that this missile could be introduced into both the present fighter and the supersonic fighter now under development; Canada could not afford the luxury of several types of air-to-air missiles;

(f) the continued development of the supersonic fighter (CF-105) equipped with air-to-air guided missiles capable of carrying atomic warheads; it was hoped to have the supersonic fighter introduced into the system sometime after 1961;

(g) the introduction into the Canadian air defence system sometime after 1962 of ground-to-air long-range missiles of the BOMARC type;

(h) the much closer integration of the air defence system of Canada with that of the United States and the introduction of a system of command and control which would be politically acceptable to both countries; Canadian military authorities were convinced that the operational control of the whole system should be vested in one commander; consideration was being given on the military level to the working out of a system of operational control which would avoid the use of the term "command"; "command" implied control of logistics, which was not necessary and created a great many political difficulties, particularly in peacetime.

36. The programme was exceeding expensive and almost beyond Canadian capacities in financial, technical and scientific skills. It was the Canadian desire to do as much as possible of this programme without outside assistance but this might mean the curtailment of Canadian defence activities in Europe. The Canadian Government was loath at this particular time to suggest a cut in its commitments in Europe to make way for further developments in North American defence. It was aware in addition that, because of the accident of geography, Canada was perhaps spending more on continental defence than would otherwise be the case. Canadian authorities considered that the first step that should be taken was to ensure that there was no duplication of effort in the field of air defence development so that more funds would be available for actual procurement. This meant that there should be a readiness to share completely development secrets which affected air defence. Besides working out joint operational plans, Canada and the United States should be working out joint integrated weapons systems for air defence. At senior levels it was perhaps accepted that all development information on air defence should be freely shared but this did not always hold true at the working level.

37. *General Foulkes* said that the specific assistance which was required by Canada was the following:

(a) all possible assistance in the adaptation of the U.S. Navy missile SPARROW for use in the present Canadian all-weather aircraft; (Admiral Radford agreed that this assistance would be provided);

(b) access to all the plans, specifications and manufacturing know-how so that these missiles could be produced in Canada;

(c) at a later stage information and specifications on atomic warheads for this type of weapon;

(d) further help in the introduction of the SAGE system especially in areas contiguous to the United States;

(e) close collaboration in the field of electronic counter-measures;

(f) since Canada would be unable to devote any facilities to ground-to-air guided missiles of the BOMARC type and would have to rely entirely on the United States for the introduction of these guided missiles into the air defence system of Canada some time in the future, information on sightings and layouts would be required earlier so as to ensure that any new bases built in Canada could be such that they could accommodate and use this type of weapon.

38. The necessity of an effective air defence system was fully recognized by the Canadian Government. Almost 50% of the Government's budget was devoted to the Air Force and the bulk of that amount was ear-marked for air defence. At the same time the Canadian Government was conscious of its commitments to NATO. General Foulkes believed that Canada might be able to offer some help to its NATO partners in the building of an integrated air defence system in Europe. About two years from now when the time came to begin the production of the supersonic fighter (CF-105) the Canadian Government would, however, be faced with some awkward decisions.

39. *Mr. Bryce* said that many Canadians thought it curious that United States servicemen had to be brought to Canada while at the same time Canadian servicemen were being sent to Europe. There was no present disposition on the part of the Government to change this state of affairs but a real problem existed.

40. *Admiral Radford* said that the United States problems were similar to those outlined by General Foulkes. He said in addition that the NATO problem concerned him and he at times wondered if NATO could have an effective air defence system.

41. *General Foulkes* said he thought that an early warning system could be put across Europe relatively easily and at a cost not much above \$100 million. The area to be covered was after all not larger than the Province of Ontario. Perhaps North America could provide the electronics equipment for such a system. The object would be the introduction of guided missiles into the European system. He thought the Germans would not spend money simply to provide for interceptions at the Rhine. The European air defence system would probably be based not on interceptor fighters but on guided missiles.

Alerts System

42. *Mr. Léger* said that the Canadian authorities welcomed recent developments for tripartite discussions on indications of Soviet aggression in the NATO area. His present concern, however, was with the problem of alerts procedures in relation to North American defence arrangements. The general problem, he pointed out, was how to reconcile the necessities of military planning with the ultimate responsibility of governments for decision. The technical arrangements which were worked out in 1952 between Canada and the United States had a limited usefulness but were inadequate to meet Canadian requirements especially in the light of our growing inter-dependence in the field of air defence. Mr.

Léger said that he planned to leave a brief working paper for consideration by the United States authorities. The essence of this paper was that the United States and Canadian Governments should agree that they would invariably and immediately inform each other when they received information of a kind which, when examined, might cause either to conclude that there was a likelihood of hostilities occurring in which North America would likely be attacked.

43. *Mr. Heeney* said that the immediate and practical problem in relation to the air defence of North America and the inter-dependence of Canada and the United States in this field was a bilateral one. A strong case could be made for the necessity of setting up arrangements between us for the exchange and assessment of indicator intelligence. If the Canadian Government did not have the necessary background information it would be more difficult to get the kind of decision in an emergency which the United States might wish. *Mr. Heeney* added that the Canadian authorities remained interested in the consideration of alerts procedures on a tripartite (United States-United Kingdom-Canada) and multi-lateral (NATO) basis.

44. *General Foulkes* said he thought that indicator intelligence was vital in order that the Canadian air defence system could operate at peak efficiency.

45. *Mr. Heeney* said it was hoped that the Canadian working paper mentioned by *Mr. Léger* would provide the basis for a discussion of the principles of an improved alerts procedure between the two countries. Such discussions could perhaps best be confined to two representatives from each country. He was inclined to believe that the subject could be most effectively examined in an atmosphere of informality and would not require the presence of specialized intelligence experts. *Mr. Hoover and Admiral Radford* agreed that there would be value in consultation of this kind and each agreed to appoint a representative.

46. The meeting then moved on to consideration of the next item on the agenda. (*Mr. Grey* had to leave at this point.)

Soviet Intentions

47. *Admiral Radford* said that until the 22nd of November 1955 there had been no concrete evidence that the Soviet Union had detonated a true thermo-nuclear device. It now, however, had to be conceded that the Soviet Union had the capability of a device of a yield up to one megaton. Taking this information into consideration it could be estimated that the yield of the Soviet stockpile of atomic bombs was increased by a factor of 10. By mid-1956 it was estimated that the Soviet stockpile would include bombs with yields from 1/2 kiloton to 10 megatons. The Soviet Union had now to be credited with the ability to equip weapons with nuclear warheads. In addition, there was evidence to indicate that Russian capabilities in the field of missile development was a good deal more advanced than was the case when this matter was considered at last year's meeting of consultation. It was estimated that by 1960 an inter-continental ballistic missile could be in the hands of one Soviet operational unit. These estimates of Soviet weapon development were a matter of dispute among the various intelligence agencies of the United States.

48. So far as the Red Army was concerned, the one change of significance since our last discussion had been the broadening of its doctrine to include the use of tactical nuclear weapons.

49. A greater stress had been laid on the offensive capabilities of the Soviet Navy. The Soviet submarine force was growing at the unprecedented rate of 70 submarines per year. Such a growth made the United States effort look small indeed. It was estimated that the Soviet Navy had 300 submarines available now. The possibility existed that most of these

had missile-launching capabilities. This growth of naval strength made more important recent developments in Iceland which could only be thought of as discouraging.

50. The Soviet air force had been rebuilt since World War II. By 1960 it could be in a position to challenge allied superiority in the field of nuclear air power. It was estimated that the Soviet air force had 10,000 jet fighters, 3,000 jet light bombers, 1,100 piston medium bombers, 200 jet medium bombers, 20 to 30 jet heavy bombers, and 20 to 30 turbo-jet heavy bombers.

51. It was the United States estimate that in the next five-year period there would be no substantial change in the Soviet objective of world domination. It was estimated, however, that this objective would be sought not by military action but by covert subversion and infiltration. If, however, war were to come as a result of Soviet miscalculations, or through a series of counteractions which were not intended to lead to general war, it was estimated that the pattern would be along the following lines: the primary thrust would be nuclear air strikes against the SAC carrier force and other elements of the retaliatory power of North America; key industrial atomic and industrial facilities of North America would also be prime targets; the Soviet Union was credited with the capability of clandestine detonation of nuclear devices in key facilities in the United States; there was a good deal of argument among United States authorities as to how this latter problem should be handled; submarine-launched missiles might also be used and by the end of the period the Soviet Union might have the capability of the limited use of an intercontinental ballistic missile; an attack on North America would probably be coupled with an attempt to overrun Europe, seize Korea, seize or neutralize Japan, overtly support the Communist régime in Indo-China, overtly and covertly gain control in Burma, Thailand, Malaya, and possibly Formosa, and possibly action in the Middle East; the possibility of sneak attacks on United States bases abroad could not be ruled out; the element of surprise in this case would be uppermost in the minds of the Soviet planners and their plan would be to strike a quick knock-out blow.

52. In attempting to erect a defence against these Soviet capabilities, we would face a problem of tremendous complexity. Since the element of tactical surprise would be of prime importance to the success of a Soviet attack, the requirement existed for an air warning system which could not be broken. It should extend from surface level to beyond the known range of any Soviet bomber. It must be backed up with an improved weapon system which would have more depth than currently programmed. It was required that our weapons have a range of 1,400 to 1,500 miles at all altitudes and that they be capable of causing the maximum attrition to an enemy force before it reached the continental shores. This was essential to avoid the hazards of fall-out. More effective measures were required to counter the submarine threat. The object must be to destroy the submarine rather than the missile it carried.

53. The Soviet threat was such as to call for the virtual elimination of all present deficiencies in our joint air warning system and the building of a weapons system to extend 1,500 miles out from the prime targets in Canada. The weapons system must be made invulnerable to electronic counter-measures and consist of a family of weapons which would complement and supplement each other. Missiles should be equipped with nuclear warheads. Even with maximum progress it would not be possible to make North America invulnerable. The necessary defence would be extremely expensive both in terms of money and manpower. Nor could it be such as to weaken offensive capabilities.

54. *General Foulkes* said he had no general comment to offer on the views put forward by Admiral Radford. Mention of the submarine threat, however, did bring to mind a differ-

ence of view which existed between the Canadian Chiefs of Staff and SACLANC. It was the view of the Canadian Chiefs of Staff that our defence should be related to the immediate threat of submarine-launched missiles rather than to defence against the enemy's use of submarines in a war of attrition. *Admiral Radford* said he knew there was some disagreement in this field and he was personally inclined to a view close to that of the Canadian Chiefs of Staff. *General Foulkes* thought that, if this view was sound, consideration should be given to the effect which it would have on what our naval potential should be. This raised the question of priorities in naval development.

55. *Mr. Hoover* asked *Admiral Radford* whether it was his estimate that our capabilities were not such as to prevent a surprise attack from the Soviet forces. *Admiral Radford* said he was not entirely satisfied with our capabilities in this respect. It seemed likely that we would have warning of a Soviet massing for attack but he could not be certain. *General Foulkes* said that he thought that in this context the study of traffic on the Soviet airfields was of great importance. Increased efforts must be made to analyze this traffic.

56. *Admiral Radford* said the Russian defence effort was continuing at an unprecedented rate in the fields of matériel, aircraft, ships, tanks, etc. They were building a number of heavy cruisers which would not make a significant contribution to the kind of war we were talking about. It was possible that these cruisers were being built for cold war purposes, i.e., for impressive visits to uncommitted states. Soviet shipyards were engaged almost entirely on naval building. The Soviet merchant marine could only be increased if it was built outside the Soviet Union. For this reason therefore there should be no relaxation of strategic controls. *Mr. Hoover* commented that the importance of strategic controls was evident not only in this field but in such subsidiary fields as copper wire. Any outside assistance which relieved the pressure on the Soviet economy of the immense defence effort was not in our interests.

57. The discussion then turned to the third item on the agenda.

The Far East

58. *Admiral Radford* said that, since he had to leave the meeting shortly, he might give briefly his appreciation of the situation in the Far East and especially of the Chinese Communist threat. During 1955 the Communist Chinese had started ten new air bases between Shanghai and Canton. Three of these had been completed and it was estimated that all would be completed by April 1956. The thickest concentration of these bases was in Fukien province directly opposite Formosa. The techniques employed by the Chinese in building these bases were modern. The rate of progress of the building indicated that the Chinese were giving high priority to their construction. If this rate of progress was continued, the Chinese Communists could gain control of the air over the Formosa Straits from the Nationalist Chinese and, indeed, could present the United States with a major problem. It was not certain that all of the air bases under construction had been detected.

59. The Chinese Communists' early warning system was excellent and in some specific aspects was even better than that which we were developing jointly in North America. It was becoming increasingly difficult for the Nationalist Chinese, even when supplied with modern U.S. planes, to make survey flights over the mainland. The Chinese Communists had shown the capability of tracking planes flying at up to 50 thousand feet. There was increasing evidence of a Chinese Communist ability to make interceptions.

60. The Chinese communists had an air force of 2,000 planes, some 1,100 of which were MIG types. A few MIG 17's had been sighted in the Shanghai area. They had more than 300 Soviet jet bombers (IL-28's), some 240 piston bombers, and a few TU-4 Soviet bombers. They were credited with having 13 submarines. Chinese Communist ground forces

between Shanghai and Canton were estimated at approximately 600,000. This total was made up of over 500,000 field forces and more than 80,000 public security forces.

61. The situation in Korea was becoming increasingly difficult. The United States was being forced to withdraw air squadrons because, under the terms of the Armistice Agreement, they could not be re-equipped and brought up to date. The Communists had not abided by the terms of the Armistice and in the matter of aircraft alone had introduced more than 400 modern aircraft into North Korea. At the moment the Armistice terms did not hamper the re-equipment of ground forces in South Korea but the same problem would occur in future with respect to the ground forces as was now occurring with respect to the air forces. Numbers of forces alone did not give an accurate picture. It was true that Chinese Communist forces had been withdrawn but they had been withdrawn only into Manchuria. The Chinese Communists therefore had the capability of rapidly reintroducing large ground forces into North Korea. At the moment it was estimated that there were between 350,000 and 400,000 Chinese Communist ground forces in North Korea.

62. *Mr. Bryce* asked Admiral Radford if he estimated that the Chinese Communist build-up was directed only against Formosa.

63. *Admiral Radford* replied that the Chinese Communists were getting into the position of being able to challenge even the United States in the Formosa Straits. He went on to say that he felt certain that the Chinese Nationalists would want to strike at the airfields if aircraft were put on them. At the moment there did not seem to be any permanent stationing of aircraft on two of these three completed fields. The Nationalists had been pressing all along for agreement to strike at the fields in the process of construction.

64. *Mr. Robertson* interposed to draw the meeting's attention to a recent statement by Communist Chinese Vice-Premier Chen Yi in an interview with the press in East Berlin. He had indicated that there were two ways that the liberation of Formosa could be achieved—(a) by the voluntary evacuation of United States military power from Formosa; and (b) by Chinese Communist armed attack on Formosa. He had then gone on to outline the Chinese Communist build-up on the mainland opposite Formosa.

65. *Admiral Radford* said that, while he had stressed the build-up of Chinese Communist air power opposite Formosa, this was only part of the Chinese Communist build-up. Heavy artillery was being installed in large quantities. Amphibious craft were being built and a submarine force was being developed with Russian assistance much more quickly than had been anticipated.

66. *Mr. Léger* asked whether there had been any increase of military action around Quemoy and the Matsu Islands.

67. *Admiral Radford* said that there had been artillery duels recently. The Chinese Communists were building a causeway to one of the smaller islands north of Quemoy as a supply route for heavy artillery which was being installed on the small island. The Nationalist forces had fired on the causeway and as a result there was a four- to five-hour artillery engagement on December 4. In general terms there had been a stepping up of artillery exchanges recently.

68. In response to a further question from *Mr. Léger*, *Admiral Radford* said that almost one-third of the Nationalist Chinese army was disposed on the island groups. Approximately 7 divisions of Nationalist troops were on the islands. This was an increase from the number on the islands early this year. *Mr. Léger* asked if this would not make the problem of the eventual withdrawal of the Nationalists from Quemoy and the Matsus even more difficult than it had been.

69. *Admiral Radford* gave it as his opinion that the Nationalists would not withdraw their forces from the islands. For reasons other than military reasons, he believed they could not afford to do so.

(Admiral Radford left the meeting).

70. *Mr. Robertson* said that the Communist Chinese had never indicated any interest in Quemoy and the Matsus except as stepping-stones to the liberation of Formosa. There were those who had argued that, if the offshore islands were turned over to the Communists, tension in the area would be relieved. It was the United States view that a turn-over of the offshore islands to the Communists would not deter the Communists from continuing their campaign to liberate Formosa. The prime objective of the Chinese Communists was to remove the military deterrent to their plans to dominate Asia which now existed on Formosa by reason of the presence there of Nationalist Chinese and United States armed forces. Evacuation of the offshore islands would not therefore relieve the tensions in the area.

71. *Mr. Heeney* said that some allies who took a different view of the offshore islands did so on the grounds that there was a political distinction between their status and the status of Formosa.

72. *Mr. Robertson* said that the United States made a political distinction in this respect and had not included the offshore islands in the territory covered by the U.S.-Nationalist China Mutual Defence Treaty. It was Communist China and not the United States which had given the offshore islands a special status. The Communists constantly referred to them as stepping-stones to the prime target, the liberation of Formosa. It was in these circumstances that the President had asked Congress for authority to engage United States forces in defence of the islands if necessary. *Mr. Robertson* went on to say that United States policy with respect to Formosa had two legal aspects. There was first the fact that the juridical status of Formosa had never been settled. The Japanese gave up the title to it in the Peace Treaty but the title had not been passed to China. Even *George Yeh*, the Nationalist Foreign Minister, had said recently before the Legislative Yuan that the Nationalists had "possession but not title" to Formosa. Up to 1949 the Chinese Communists had never claimed Formosa but had supported the idea of an independent Formosa. It was only after the Nationalist Government had gone to Formosa that the Chinese Communists changed their tune. It was quite clear that they were interested in it only in order to get rid of the military deterrent which it posed to their expansionist policies. The second thing to be borne in mind was that the United States recognized the Nationalist Government as the government of China and had with the Nationalists a mutual defence treaty covering the area which was under the control of the Nationalist government.

73. The primary objective of the United States in the discussions with the Chinese Communists at Geneva, *Mr. Robertson* continued, was to avoid war in the Formosa Straits. The other important objective of these talks was to gain release of U.S. nationals held in Communist China. What the United States was seeking was the agreement of the Chinese Communists to a renunciation of force in the Formosa area. It did not ask the Chinese Communists to change their objectives but simply to agree not to pursue those objectives by force. The Communists insisted that the liberation of Formosa was a domestic matter and refused to move from that view. The United States believed, however, that nothing could be more international than the problem of Formosa, since that problem involved the possibility of war.

74. In response to a question from *Mr. Heeney* as to whether or not the Chinese Communists were likely to continue the negotiations at Geneva, *Mr. Robertson* said that there was

every indication that Peking did wish the talks to continue. The Chinese Communists at Geneva were using the normal Communist tactics (tactics which they employed in the brain washing of prisoners-of-war), alternating between the tough and conciliatory line. At last Thursday's meeting, for example, the Chinese Communist representative had been very conciliatory. This had followed other recent meetings in which he had been unbending and vituperative. The United States intended to hold to its primary objective — that of seeking to avoid war in the Straits.

75. *Mr. Hoover* said that no one situation in the area, whether it be Korea, Formosa, or Indochina, could be isolated. Dealings with the Chinese Communists over any one issue affected the whole Far East. The object must be to keep Japan, the Philippines and South-east Asia free. The Chinese Communist objective was to gain control of free Asia. No situation therefore could be viewed in isolation from another on the rim of Asia.

76. *Mr. Léger* recalled that on February 16, 1955, Mr. Dulles had informed Mr. Pearson that he thought the United States would be able to persuade the Nationalist Chinese to evacuate Quemoy and the Matsus in due course, that is, in six months to a year.²⁰ Admiral Radford's information with respect to the increase of Nationalist forces on the offshore islands suggested that this hopeful line was no longer valid. Indeed, the problem of the offshore islands seemed more acute now than it had been earlier this year. If present developments in Canadian policy continued, there could be very disturbing consequences.

77. *Mr. Robertson* thought the problem of the Formosa Straits would not be settled by Nationalist withdrawals from the offshore islands. It was not possible for the United States to dissociate its policy from the policy pursued by the Communists. So long as the Communists treated the offshore islands as stepping-stones to the liberation of Formosa, the withdrawal of Nationalist forces from the islands did not make sense. He did not believe that Chiang Kai-shek would agree to withdraw his forces, nor did he believe that in present circumstances President Eisenhower would recommend such a withdrawal. He emphasized that there had been no suggestion from any Chinese Communist sources at any time that a relieving of tension in the Straits would result from a withdrawal of Nationalist troops from Quemoy and the Matsus. This matter was not being talked about at Geneva since the United States had indicated that it would not discuss there the interests of third parties.

78. *Mr. Heeney* said it seemed then that the United States view was not now what it had been when Mr. Dulles spoke to Mr. Pearson in February. The Canadian view had been and was that the extremely dangerous feature of the situation in the Formosa Straits was the face-to-face confrontation of opposing forces in the offshore islands. It had been the Canadian hope that withdrawal of the Nationalist Chinese would reduce the tension in the area sufficiently to make progress possible on the task of reaching a settlement of the final status of Formosa perhaps as an independent country. It was a shock to find that Nationalist withdrawal seemed now less likely than it had been earlier this year.

79. *Mr. Robertson* said that in the intervening months the threat from the mainland had increased. The Chinese build-up on the coast opposite Formosa had gone on apace throughout these months and the obvious objective of the build-up was an attack on Formosa. All evidence pointed to a most aggressive intention on the part of the Chinese Communists. The United States did not consider that the turnover of the offshore islands would satiate the Chinese Communists. Developments then in the ensuing months had altered the United States view. Developments had certainly altered Chiang Kai-shek's view and the

²⁰ Voir/See Document 720.

United States was having the greatest difficulty in restraining the Nationalists from taking action in the face of the Chinese Communist build-up.

80. *Mr. Léger* said that his United States colleagues would be familiar with the Canadian position as to eventual recognition of Communist China. It had been stated a number of times in public and in private by Mr. Pearson. If the relative quiescence of the Chinese Communists was to continue, that is, a lack of aggressive action on their part, it was possible that in the months ahead the Canadian Government would be closer to a decision to recognize. When one related that process of Canadian thinking to the United States exposition given at this meeting of the military build-up both on the mainland and in the offshore islands, the contradiction was flagrant. It seemed essential that our two governments should get together to straighten out this contradiction. In the meantime, he said he had wished to bring up the subject at this meeting in order that there would be no misunderstanding on the United States side as to how Canadian minds were working.

81. *Mr. Robertson* said that it seemed to him that one of the differences between the views of the two governments in this context stemmed from their evaluation of the situation. In the United States view, the Chinese Communists were being anything but quiescent. There was no indication of the Chinese Communists having abandoned their objective of taking over Asia. They continued to maintain up to 400,000 troops in North Korea and had sent in modern combat matériel. In North Vietnam since the Geneva Conference the effective force of the Vietminh had been doubled, with equipment and assistance from the Chinese and other Communist sources. In Laos there was evidence of Communist Chinese and Vietminh direction of the Pathet Lao. With respect to Formosa, the Chinese Communist objective of liberation remained. It was extremely disturbing to hear of the possibility of Canadian recognition of a régime which showed every intention of continuing its aggressive policies.

82. *Mr. Sullivan* interposed to point out that the United States was particularly concerned by the activities of the Chinese Communists among the overseas Chinese in Southeast Asia. Among this community the Chinese Communists exploited the threat of their military strength. It seemed to United States observers that the collapse of Southeast Asia would follow quickly upon the fall of Formosa. It was certainly a fact that Chinese Communist activity in Malaya amounted to para-military operations.

83. *Mr. Hoover* said that it was in Malaya where the wealthiest overseas Chinese community lived that Chinese Communist blackmail was most apparent. The Communists there pressed the argument of the inevitability of Chinese Communist military control being exercised in Malaya and called on these local Chinese to make their peace with the Chinese Communist régime now. The effectiveness of their arguments could only be heightened if Communist China were recognized by important Western powers.

84. *Mr. Robertson* said he wished to clear away any misapprehension that might exist (and did exist in the minds of friendly powers throughout the world) that the United States was planning a deal with the Chinese Communists at Geneva. This was not so. The United States Government did not contemplate the recognition of Red China and was not approaching contemplation of recognition. There was no pressure from anyone in the United States Government to this end nor was there any difference of opinion between the political parties in the United States on the matter of the recognition of Communist China in the present circumstances. Reverting to a remark by Mr. Heeney earlier that Quemoy and the Matsu Islands belonged to the Chinese mainland, Mr. Robertson said he believed that the view that one took of this question depended largely upon whom one recognized as the government of China.

85. *Mr. Heeney* said it seemed then that the Geneva talks could not in the United States view lead to a political settlement.

86. *Mr. Robertson* said the United States had entered the talks at Geneva in the hope that they might lead to a reduction of tension. It was not impossible that they could lead to a conference — not a bilateral conference between the United States and Communist China — but a conference of interested parties. There was no evidence so far, however, that the Communists were seriously seeking a reduction of tension in the Straits.

87. *Mr. Heeney* said that there could be no misunderstanding of United States views on the subject.

88. *Mr. Hoover* said that he thought that the objective of the Communists in the Far East as elsewhere was to cause political difficulties between the Western partners. A difference of view between Canada and the United States on the matter of recognition would be high on any priority list of Chinese Communist objectives. It seemed essential to him that Canadian and United States views on this vital matter should not diverge seriously.

89. It was agreed that there was much to be said for continuing the discussion of the Far Eastern situation, and particularly the role of the International Commissions in Indochina. Arrangements were agreed upon for a further meeting on December 6 between *Mr. Léger* and *Mr. Robertson*. Arrangements were made as well for *Mr. Léger* to discuss German matters with *Mr. Merchant*.

90. The meeting ended with expressions from both sides of the value of meetings such as this. It was agreed that the matter of publicity would be handled as on past occasions. The response to any questions from the press would be that the meeting had provided for routine consultation between the two governments on matters of common interest.

91. *Mr. Léger* said that he hoped it might be possible to hold the next such meeting of consultation in Canada.

308.

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*L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures*

*Ambassador in United States
to Secretary of State for External Affairs*

DESPATCH 2064

Washington, December 27, 1955

CONFIDENTIAL

MEETING OF CONSULTATION — DECEMBER 5

At the meeting of consultation of December 5 (our despatch No. 2047 of December 21) it was arranged that *Mr. Léger* should meet separately with *Mr. Robertson*, the Assistant Secretary for Far Eastern Affairs to discuss the work of the International Commissions in Indochina. The meeting took place on December 6 and the highlights of it were covered in our telegram No. 2010 of December 7.²¹ We thought you might wish to have for your records a fuller account of what was said. This despatch, therefore, includes a more detailed account of the meeting. I accompanied the Under-Secretary together with another

²¹ Voir/See Document 641.

officer of the Embassy; Robertson had with him three officers of the Office of Southeast Asian Affairs.

2. Robertson expressed the appreciation of the United States Government for the Canadian work on the International Commissions in Indochina. It was hard to imagine, he said, what the state of affairs would be if it had not been for the patient and objective work of the Canadian Commissioners. The United States Government had been disappointed in the Indian attitude displayed in the Commission. While the State Department had not expected Mr. Nehru to sanction his representatives to take a strong anti-Communist line, it had hoped that Indian policy in the Commissions would have been more objective than it had turned out to be. The attitude of the Polish representatives on the Commissions came as no surprise. They were following the dictates of their Communist masters. In spite of some of the disappointments which had been experienced, it was the United States view that the Commissions should be kept functioning until they finished their tasks.

3. Léger thanked Robertson for his flattering references to the work of the Canadian Commissioners. He said he was certain that the State Department was aware of the general attitude of the Canadian Government towards service on the Commissions. Canadian representatives would stay in Indochina as long as they were able to contribute something; on the other hand, the Canadian Government would willingly withdraw its representatives if such a withdrawal served the common cause. He went on to speak of the current activities of the Commission in Vietnam. The nature of the work of that Commission was changing. The military phase of the Commission's work was over. There was not much further that could be done on the freedom of movement issue. The Commission now had to be concerned with problems arising out of relations between the governments of North and South Vietnam. It seemed evident that if the Commission in Vietnam were to continue, ways and means would have to be found of keeping the Indians on the Commission. The Indian Chairman of the Commission was most unhappy with the lack of co-operation offered by the Diem government. This was a matter which was not alone of concern to the Indian Government. Indeed, the United States Ambassador in Saigon had more than once urged on Diem the desirability of offering the maximum co-operation possible to the Commission. In spite of all that had been done by other interested governments, it was conceivable that the Indians might declare their intention in the next few months to withdraw from the Commission. If, therefore, it was in the common interest to retain an international Commission in Vietnam, it was equally in the common interest to do all that was possible to keep the Indians on the present Commission.

4. The Under-Secretary went on to say that Canadian experience on the Commissions in Indochina, taken together with the recent discussions between Mr. Pearson and Mr. Nehru on the future of the Commissions,²² made it evident that there was a link between the problems of the Commissions in Vietnam and Laos, "a link which was closer than you would like". The Canadian Government would like the Commissions to operate under their separate terms of reference. Other interested parties, the Chinese and the Indians, saw the problems in the three Indochinese states as inter-related. Whatever one's view might be then on the separation of the three Agreements, the fact that the Chinese and the Indians linked the settlements in the three states could not be ignored.

5. Against this background, Léger went on, it was possible that certain decisions taken in Laos would precipitate a crisis in Vietnam, Indian withdrawal from the Commission, a stepping-up of subversive activities in South Vietnam, or even the renewal of hostilities by

²² Voir/See Document 634.

the Vietminh. The Canadian Commissioners in Vietnam and Laos would continue to press for as satisfactory settlements as were possible in the two states. The Canadian Government was, however, hesitant to go too far too fast.

6. Robertson said that the United States Government did not see any legal justification for connecting the Vietnam and Laos cease-fire agreements. United States officials realized why the Communists might wish to link the issues in the two countries. Their object was the subverting of all Indochina by whatever means came to hand. Robertson pointed out that, even at the Geneva Conference, there had never been any question but that the Royal Government's authority should extend over a unified country. For that reason, the terms of the Laos agreement were quite different from those of the Vietnam agreement. The hard fact was that the Pathet Lao had defied the agreement reached at Geneva. It seemed regrettable that the Commission in Laos could not find it possible to make a strong statement upholding the Royal Government's rights. Developments over recent months had all tended to place the Pathet Lao on an equal basis with the Royal Government when in fact the Pathet Lao were nothing but rebels. A *de facto* division of Laos would fit the Communist book completely. The two northern provinces, bordering as they did on Communist China, constituted a classic Communist forward base. The recent Russian attitude with respect to Berlin was analogous. Communist strategy the world over was to get whatever toe-hold was possible in an important area and then gradually to extend their influence into neighbouring non-Communist territory. Robertson expressed the hope that the Indians could be influenced to join with Canada in support of a Commission resolution endorsing the Royal Commission's right to administer all of Laos and censuring the Pathet Lao for their failure to live up to the Geneva Agreement.

7. Turning then to Vietnam, Robertson said that the Canadian Government would be familiar with United States efforts to convince Diem of the desirability of offering to the Commission whatever co-operation he thought possible. It had to be borne in mind that Diem had grown in stature in part at least by defying Western advice. It was a fact too that Diem did not accept the Geneva Agreement and had made his stand in opposition to the agreement at Geneva. The division of Vietnam which had been settled upon at Geneva was the work of Mendes-France and Chou En-Lai. Not even Dong, the Vietminh Foreign Minister, had been present when the armistice line was drawn. The bargain reached at Geneva had been one which gave North Vietnam two million more inhabitants than it should have had and further provided for national elections which would have resulted in the automatic turn-over of all of Vietnam to the Communists. Diem and his associates saw clearly the nature of the bargain and were almost psychopathic in their opposition to this division of Vietnam by alien powers. Diem had not the slightest intention of falling into the trap set for him at Geneva.

8. Robertson went on to say that there had been an exchange of views between the North and the South through the medium of letters and radio broadcasts. Even the Geneva Declaration had not specified that North-South consultations had to be face-to-face consultations. Throughout most of the past year Diem had been concerned with the gigantic problem of establishing himself. At the same time he had had to do battle with the sects and to deal with the immense refugee problem. The recent referendum had given Diem some breathing space. Robertson did not believe, however, that Diem would make any further decisions on the matter of electoral consultations until after an Assembly had been convened in South Vietnam.

9. The United States Government, Robertson said, had faced many difficulties in attempting to convince Diem of desirable courses of action. Diem was not amenable to other people's opinions when he thought he was right. This stubborn quality had been both

an asset and a drawback to Diem. The United States Government had no power to force Diem to certain courses of action and in any case did not deal with allies in that way. The ultimate United States sanction was of course the withdrawal of United States financial support from Diem. Such an action, however, would lead to a collapse of non-Communist power in Vietnam, which would not serve United States interests. Diem was well aware of this fact.

10. Robertson said the State Department would like to see Diem consult with the Vietminh about the machinery of nation-wide elections. It was certain that Diem would insist on free elections. There never had been, however, free elections in a Communist-dominated area. So the prospects of nation-wide elections in the foreseeable future were not bright. The United States hoped at the same time that Diem would find it possible to co-operate with the International Commission in matters of administration and security. In the United States view, the Commission performed an extremely useful service and no opportunity was lost to convey this view to Diem. The essential problem facing interested free world governments in this area was to work out some plan which would avoid handing Vietnam to the Communists. If the Communists gained control of Vietnam, it would be their first step towards gaining control over all of Southeast Asia.

11. The Under-Secretary said that it seemed to him that the Canadian and United States Governments did not hold separate views on the basic issues. We would both insist on free elections in Vietnam. We agreed on the desirability of Diem offering co-operation to the Commissions. We both saw the value of his consulting with the Vietminh so that the latter could not win the propaganda battle by default. It seemed that we did not really even disagree on the fact that a link existed in the minds of other interested parties between the settlements in Vietnam and Laos. Our agreement would be complete if we could agree that the Canadian representative should always go as far as the Indian traffic would bear. The Canadian worry was that, if one went further, the Indians would withdraw and the Commissions would collapse.

12. Robertson ended the exchange of views answering a question I put to him as to whether it was the United States view that the continued presence of the Commissions in Indochina contributed to stability in the area. He said it was indeed the view of the United States Government that the Commissions were a constructive and contributory factor to stability in the area. The main objective of United States policy in Southeast Asia as elsewhere was to avoid war so long as honour and principle could be maintained. The mere presence of Commissions on which there were Communist representatives made it less likely that Communist forces would renew open hostilities. The United States would be disturbed if the Commissions were to go suddenly from the scene. The question remained, however, as to "how far you can go". (Robertson did not elaborate further on this statement). Perhaps, he said finally, the free world could only play for time. He was reminded in this context of an old Chinese proverb: "What is the cure for muddy water?", and the answer, "Time alone".

A.D.P. HEENEY

SECTION B

DÉFENSE AÉRIENNE CONTINENTALE
CONTINENTAL AIR DEFENCE

309.

DEA/50209-40

*Note du sous-secrétaire d'État aux Affaires extérieures
pour le secrétaire d'État aux Affaires extérieures**Memorandum from Under-Secretary of State for External Affairs
to Secretary of State for External Affairs*

TOP SECRET

[Ottawa], February 11, 1955

EXTERNAL AFFAIRS EYES ONLY

AIR DEFENCE OF NORTH AMERICA

I attach two papers on the air defence of North America. The first, which you have already seen but have expressed a wish to see again, outlines the plans of the USAF with respect to the continental air defence programme for the period 1955-60.²³

2. The second paper reports on the current thinking of the USAF and RCAF Air Defence Commands on a possible combined command structure and the development of installations and communications for continental defence as outlined in discussions which took place at the meeting of the Canada-United States Military Study Group at the United States Continental Air Defence Command Headquarters, Colorado Springs, on February 7 and 8. I suggest that it might be useful for you to re-read the first paper before going on to the second.

3. As you know, officers of this Department have been aware for some time of the far-reaching implications of these plans, including the adequacy of the existing 1947 joint Canada-United States declaration on defence cooperation, as a framework for future continental defence arrangements.²⁴ It was our intention that these matters should be a subject for consideration in the proposed study of national security policy.²⁵

R.A. M[ACKAY]
for Under-Secretary of State
for External Affairs

²³ Voir/See Volume 20, Document 486.

²⁴ Voir Canada, Chambre des Communes, *Débats*, 1947, volume 1, pp. 350-353 et Canada, *Recueil des traités*, 1947, N° 43.

See Canada, House of Commons, *Debates*, 1947, Volume 1, pp. 345-348 and Canada, *Treaty Series*, 1947, No. 43.

²⁵ Voir/See Document 789.

[PIÈCE JOINTE/ENCLOSURE]

*Note**Memorandum*

TOP SECRET

EXTERNAL AFFAIRS EYES ONLY

THE AIR DEFENCE OF NORTH AMERICA — II

In the preceding paper on the air defence of North America an account was given of the air defence plans and programme which the United States proposes for the period 1955-60. The purpose of this paper is to report on the most recent developments, as evidenced in the discussions which took place at the meeting of the Canada—United States Military Study Group (MSG) on February 7 and 8, 1955, at the U.S. Continental Air Defence Command Headquarters, Colorado Springs, and to comment on the implications for Canada arising therefrom. General Chidlaw, the Commanding General of Continental Air Defense Command (CONAD), and his senior staff officers, participated in most of the discussions.

2. The proceedings opened with a briefing by Major General Bergquist, Deputy Chief of Staff for Operations, CONAD. He outlined the U.S. air defence concept and programme for the next five years in almost exactly the same terms as were used in the External Affairs paper which preceded this one. In particular he drew attention to the plan to extend the interceptor control area (by the installation of 27 heavy radars) until it reaches the tactical early warning line, thus extending the combat zone by about 400 miles to the North and from 400 to 600 miles off both the Pacific and Atlantic coasts of the United States. The capacity of the interceptor control system is to be increased by the installation of expensive semi-automatic electronic "tracking" equipment. Mention was also made of the intention to utilize long-range interceptor aircraft and guided missiles to take advantage of the increased depth of the combat zone and to engage hostile aircraft at the greatest possible distance from their targets. (See Charts Nos. 1 and 2 attached.†) General Bergquist emphasized that the RCAF Air Defence Command had been consulted in the development of the plan, and that both the United States and Canadian ADCs were in general agreement as to the military necessity for the measures proposed. The United States Joint Chiefs of Staff were in agreement with the concept, and funds for part of the programme (21 heavy radars) had been included in the 1956-57 budget.

3. Before proceeding to an account of the next phase of the MSG discussions it is necessary to recount a bit of past history. About 8 months ago the Canadian Chiefs of Staff, aware that the United States was likely to propose a major expansion of the North American air defence programme, authorized the RCAF ADC to enter into planning discussions with the USAF ADC, it being understood that no commitment was involved on either side.²⁶ It was only at this time that the RCAF learned the full details of the USAF programme. The position of the RCAF was made more difficult by the fact that for some time the USAF ADC, assuming that Canada would not likely be willing or able to increase its commitments, had been developing plans in the expectation that the United States would have to provide and man all air defence installations required south of the Mid-Canada line (55th parallel) between the east end of Lake Superior and the western ranges of the Rocky Mountains.

²⁶ Voir/See Volume 20, Document 462.

4. The RCAF ADC, in approaching the problem, recognized the case for the establishment of large military installations and the development of elaborate and costly communications facilities in Canada in order to meet the threat of jet bombers armed with thermonuclear weapons. The ADC considered however that if this were done in accordance with the United States assumptions regarding the level of Canadian participation, the resulting position would be intolerable for Canada. It would make a fiction of the existing command arrangements, based as they are on the concept that each country maintains command and control over all forces operating within its own territory. If the existing arrangements were continued they would nominally give control to the Canadian air defence commander over operations in Canada, but the absence of any Canadian air defence machinery in large areas of the country would make it impossible to exercise control effectively. Moreover the philosophy expressed in these arrangements does not provide for the situation which will develop when, in the course of the next four or five years, guided missile installations are established in the United States which will be aimed at potential targets over Canada.

5. As a consequence of the RCAF analysis of the situation from the Canadian point of view, the two ADCs launched a new command study, ignoring the existing arrangements and basing their work on two fundamental military percepts; the first, that the air defence of North America is an indivisible responsibility and that operational control should therefore be vested in a single commander; and second, that the forces assigned to the task must face in the probable directions of enemy approach and hold positions in sufficient depth to fight effectively.

6. The second phase of the MSG discussions consisted of a presentation by Air Commodore Annis, of RCAF ADC, of the plan which had been jointly developed by the two ADCs to reflect the concepts described above, it being understood that the proposals it incorporated represented the planners' views only, and had not as yet been "bought" even by the Air Defence Commanders, let alone by any higher authority.

7. The plan envisages a Combined Air Defence Command Headquarters, headed by a U.S. officer. In peacetime he would be responsible for the operational standards of the air defence forces, and for planning of training exercises. Disposition of national forces and forward planning would continue to be under the control of U.S. or Canadian authorities as appropriate, and would be carried out in consultation with one another as at present. The RCAF describes this by the phrase "planning in unison" as contrasted with "integrated planning".

8. Under the Combined Air Defence command there would be three Combined Air Defence Forces, North, East and West (see Chart No. 3†). The Combined Northern Air Defence Force would be under command of a Canadian with an American deputy commander, and the area for which it would be responsible would embrace all of the settled parts of Canada with the exception of the British Columbia coastal area and the Eastern Townships—Maritime Provinces area. These areas would of course be parts of the Combined Western and Eastern Air Defence Forces respectively. The Northern Air Defence Force would consist of from 40,000 to 60,000 men, of which from 10,000 to 30,000 would be stationed in Canada. It would incorporate most of Canada's existing air defence forces, the balance being made up either of Canadians obtained from some other source, or of U.S.A.F. personnel. The numbers of personnel to be stationed in Canada would hinge on the question of whether fighters can operate effectively from south of the international boundary or whether additional bases are required in Canada. In the opinion of the RCAF planners there should be ten additional fighter bases in Canada in order to ensure that the air battle would be fought north of, rather than over, the heavily populated parts of the

country. This would mean that the number of forces in Canada would be nearer the upper limit of 30,000 than the lower limit of 10,000 mentioned above.

9. The Western and Eastern Air Defence Forces would be commanded by United States officers with Canadian representation appropriate to the extent of participation by Canadian forces in these areas. The general principle that when an officer of one nation was in command, his deputy would be from the other nation, would extend throughout that part of the command structure in which Canada would have an interest.

10. A number of significant points emerged from the discussion which followed this presentation. First, and possibly the most important, was the conviction of the American representatives that, irrespective of the organization to be adopted, the physical programme must be carried through substantially as planned. Their text was the recent statement by President Eisenhower that maintenance of the deterrent effect of Strategic Air Command and the development of an effective continental air defence were the two highest priority items in the United States military programme today,²⁷ and they made it clear their views on air defence requirements were those of their Government.

11. A second point was that the Americans made no secret of the fact that the [United States] Continental Air Defence Command, which was created only last autumn, is a shaky edifice, and that there were strong differences of opinion between General Chidlaw and his army and navy deputies on the air defence tasks of the three services, and their coordination. This became particularly evident to the Canadians in the course of the discussion on the role of short range guided missiles such as Nike, and their deployment around heavily populated industrial areas, including such border cities as Detroit, Niagara Falls and Buffalo.

12. It was clear that although the U.S. ADC recognized the military logic of the proposed combined command structure it anticipated that it might have considerable difficulty in convincing its Government that it should accept the necessity for vesting responsibility for the protection of a large area of that country in a Canadian air defence commander. The Canadians pointed out that this was a kind of difficulty with which they were not unfamiliar. General Chidlaw expressed the personal opinion that sooner or later some form of integration was inevitable, although he hoped that before it came he would have some time to put his own house in order. He added that in any event he thought that the initiative for any such move should come from Canada. This view was reiterated by a number of the other U.S. officers present.

13. There was considerable discussion of the time-relationship between the adoption of a combined command structure and the development of the installations and communications in the two countries over the next few years. The planners argued with conviction that a decision to establish a combined command structure, or at least to work in that direction, should be taken at once. They asserted that if this were not done the communications, combat direction centres, and other items of "infrastructure" would not be able to be adjusted at a later date except at very large expense and dislocation. In other words the communications and related facilities required for the semi-automatic operation of the air defence system which are now in the early stages of installation would have to be drastically re-arranged if the system of command were to be changed, and the longer the delay the greater the difficulty (and the greater the opposition). As the RCAF ADC sees the situation the existing command arrangements, organization, and plans for the deployment

²⁷ Voir/See United States, *Public Papers of the Presidents of the United States: Dwight D. Eisenhower 1955*, Document 17, p. 117.

of weapons would not be the best for the air defence of the United States *and* Canada, although it is probably sufficiently effective that in the face of internal difficulties, the United States authorities will not, of themselves, seek to change them. If Canada considers that the situation is developing in a manner detrimental to her interests (and the RCAF ADC believes that it is) then she must take the lead in pressing for a change.

14. It should be understood that at the present time the above views are held by RCAF ADC only. RCAF Headquarters has not yet made up its mind as to the position it should take. The ADC plans, if adopted, would require additional resources which presumably could be supplied only at the expense of some other commitment, e.g. the Air Division in Europe. RCAF HQ, in making recommendations to the Chiefs of Staff and the Government must therefore seek to balance the importance of its various operational responsibilities. Its judgment is bound to be affected by its reluctance to put itself in a position where its primary, if not its sole operational role is one of home defence.

15. Now that the subject has been raised in the MSG, the Chairman of the Canadian Section, who is the Vice Chief of the Air Staff, proposes to tell the story to the Air Staff and then to the Chiefs of Staff Committee. If the Chiefs of Staff give no indication of acting, or if, as they have sometimes done in the past, they take the position that unless or until the ADC plan is put forward as a formal requirement there is nothing for them to consider, then perhaps the Department of External Affairs should consider what it might do to have the matter considered by Ministers.

310.

DEA/50209-40

*Note du sous-secrétaire d'État aux Affaires extérieures
pour le secrétaire d'État aux Affaires extérieures*

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

TOP SECRET

[Ottawa], February 11, 1955

AIR DEFENCE PLANNING POLICY

Further to the two papers I sent to you today on the subject of North American Air Defence, I thought you would wish to know that the Chiefs of Staff, at a meeting held January 28, considered a recommendation from the Chief of the Air Staff that the United States Strategic Air Command air base system in North America (including Strategic Air Command refuelling bases) should be recognized as the top priority target system for protection by air defence, with a lesser priority assigned to the other vital targets which embrace the resources and industry necessary to the continuation and successful conclusion of a war.

The Chiefs of Staff agreed as follows:

(a) Air defence plans should be based upon the concept that the air defence of the Canada-U.S. region is a single problem and that plans for the deployment and use of the air defence resources of Canada and the United States must be developed on a combined basis so as to provide the most effective defence possible for agreed vital targets.

(b) Because the threat of massive nuclear retaliation is now the major deterrent to war and the Strategic Air Command at this time is the primary agent by which retaliation may be effected, the protection of the Strategic Air Command becomes one of the first priority tasks for the air defence commanders of both countries.

(c) The present listing of vital areas (which is based on the assumption that the Russians will bomb North America without warning with two objectives in mind — first, to disrupt the North American war making potential for an extended period, and second to destroy as far as possible the Strategic Air Command retaliatory forces) which was approved by the Chiefs of Staff in February of 1954 remains a valid statement of the vital areas in Canada.

(d) The deployment of Canadian air defence forces must remain a matter of decision by the appropriate Canadian authorities.

The Chiefs of Staff instructed the Canadian Section, Military Co-operation Committee, to attempt to have the above views incorporated in the next revision of the Canada-United States Emergency Defence Plan.

At this stage, the decision of the Chiefs of Staff Committee goes no further than to provide certain planning assumptions to guide the Canadian Section of the Military Co-operation Committee and the planners of the R.C.A.F. Air Defence command in their further work. The implications, however, of this planning as it materializes will obviously involve far-reaching political considerations.

J. L[ÉGER]

311.

PCO

*Extrait du procès-verbal de la réunion
du Comité du Cabinet sur la défense*

*Extract from Minutes of Meeting
of Cabinet Defence Committee*

TOP SECRET

[Ottawa], March 3, 1955

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Present

The Prime Minister (Mr. St-Laurent), in the Chair,
 The Minister of Defence Production (Mr. Howe),
 The Minister of National Defence (Mr. Campney),
 The Minister of National Health and Welfare (Mr. Martin),
 The Secretary of State for External Affairs (Mr. Pearson),
 The Minister of Justice (Mr. Garson),
 The Minister of Finance (Mr. Harris).
 The Secretary (Mr. Martin),
 The Military Secretary (Commander Solomon).
 The Chairman, Chiefs of Staff (General Foulkes),
 The Chief of the Naval Staff (Vice Admiral Mainguy),
 The Chief of the Air Staff (Air Marshal Slemon),
 The Acting Chief of the General Staff (Major General Sparling),
 The Chairman, Defence Research Board (Dr. Solandt).
 The Deputy Minister of National Defence (Mr. Drury),
 The Under-Secretary of State for External Affairs (Mr. Léger),
 The Assistant Deputy Minister of Finance (Mr. Deutsch),
 Mr. T.E. Stephenson, (Department of Defence Production).
 The Deputy Minister of Northern Affairs and National Resources (Mr. Robertson).

I. PREPRODUCTION PROGRAMME FOR SUPERSONIC FIGHTER AIRCRAFT (CF105) AND ITS POWER PLANT

1. *The Minister of National Defence* said that in December, 1953, a development and production programme of a supersonic all-weather fighter, the CF105, had been approved to the extent of building two prototype aircraft.²⁸ In the interval, the early appearance of Russian long-range jet bombers and nuclear weapons had accentuated the threat to North America. From the commencement of the CF105 programme, careful watch had been kept on all aircraft and guided missiles projects in the United States and the United Kingdom with a view to modifying or discontinuing the CF105 if the project was being duplicated or overtaken in those countries. However, it had been demonstrated more clearly than ever that it was necessary to proceed with the CF105 to fill a gap which no other similar aircraft with the required performance would adequately fill at the right time. Guided missile programmes had been disappointingly slow in their development, but it could be expected that as they were produced satisfactorily they would be integrated with manned fighter aircraft defences. Because of the increased Russian threat, it was desirable to accelerate the CF105 production programme and to order a substantial number of preproduction aircraft instead of only two prototypes. A programme of such a character would substantially reduce the time consumed in contractor and service testing, with the result that aircraft would enter squadron service much earlier than had been contemplated. It entailed higher expenditures in the early stages, but the overall cost would be reduced. Accordingly it was recommended that a preproduction programme for 40 CF105 aircraft at a total cost of \$191 million be approved.

When approval had originally been given to proceed with the development of the CF105, it had been contemplated that the aircraft would be powered by an appropriate engine from an external source built under licence. Careful analysis of all engine development programmes in the U.K. and the U.S. had revealed that none of these engines approached the required power output. The J75 produced by Pratt and Whitney would come closest to meeting Canadian requirements. In the meantime, Orenda Engines Limited of Toronto had designed and developed an engine — the PS13 — as a private venture, investing in it \$9 million. This engine appeared to be more advanced than any other type in the U.K. or in the U.S. and was in fact the only one likely to be available on time that would give the CF105 its required performance. Having regard to the urgent need, to the desirability of the development and production of an engine in Canada and to the gaining of vast technical experience, it would appear sensible to encourage this programme. Accordingly it was recommended that a PS13 engine development programme of 14 engines plus production tooling, at a cost of \$70 million, be approved.

Explanatory memoranda had been circulated.

(Minister's memoranda, D6-55 of March 1,† and D7-55 of February 25†).

2. *Mr. Campney* added that he was satisfied that the CF105 was the type of aeroplane required to meet the threat envisaged. He emphasized that the programme could be halted at any stage, if this was found necessary because of development of suitable aircraft elsewhere.

3. *In the course of discussion* the following points emerged:

(a) It was possible that the programme proposed would mean it would not be necessary to provide a successor aircraft to the F86 with which the air division in Europe was presently equipped. The advantages of having the Air Force equipped with one type of aircraft

²⁸ Voir/See Volume 19, Document 671.

were obvious and substantial. It could be expected that a decision on this point would be made within the next few months.

(b) It seemed that the CF105 would be better than any other type available at the time it would come into service in quantity. The U.S. might have an aircraft, a prototype of which was flying at the moment, which could deal with the threat to North America up to 1960. The U.S. were not, however, contemplating production of an aircraft for the period from about 1960 to, say, 1964, but they did have in mind an aircraft which it was hoped might fly at speeds as high as Mach 3, for the period beyond that for which the CF105 was designed. It seemed highly doubtful that the U.S. would purchase any CF105's produced in Canada. Of the 40 to be ordered, the cost of airframes and engines would total \$261 million, but once in production the unit cost would amount to \$2 1/2—\$3 million. It was impossible to estimate at this time how many might be manufactured. Up to the present, 180 CF100's had been turned out and more would be made. Depending upon the success of the U.S. in aircraft and missile development and the decision on the rearming of the Air Division, and on the number of types and rate of production of aircraft in the Soviet Union, the production of the CF105 might run anywhere from 100 to 500.

(c) The cost of the programme was exceedingly heavy and if it did not work out well, or if for a variety of reasons it had to be abandoned, embarrassment and criticism would be severe. Nevertheless, the only way to provide an effective deterrent to aggression was to improve, modernize and develop the warmaking capacity of the free nations. It was to be hoped that in five or six years there might be some improvement in the prospects of avoiding suicide otherwise than by the present very expensive means, but there was no guarantee of this and therefore no alternative but to proceed with the maintenance of suitable deterrent strength.

(d) The CF105 was designed as a defensive aircraft. However, atomic weapons were being reduced in size and it might well be that the aircraft could carry one of these and have a valuable offensive capability, albeit at relatively short range. On the other hand, there had been no suggestions that Canada provide offensive aircraft and, in any event, under present U.S. law atomic weapons from U.S. sources could be handled only by U.S. citizens.

(e) It could be anticipated there would be a more northward extension of fighter defence facilities and therefore additional cost for the provision of airfields, housing and the like. If the expenditure on the aircraft proposed would be within the defence estimates presently contemplated for the next few years, there could be no serious concern from the financial standpoint, but if it meant an overall expansion of defence expenditures, assuming no change in the international situation, this would be a serious matter to which strong exception would have to be taken. On the other hand, the programme under consideration was supposed to be fitted in to present contemplated expenditures. It seemed unlikely that much hope could be held out for a steady reduction of defence expenditures year by year. The Chiefs of Staff put the highest priority on the defence of North America and if this programme, together with other items required for that defence, meant increased expenditures, other commitments would have to be examined and reduced or eliminated.

(f) The incorporation of guided missiles with manned aeroplanes in the defensive system of North America would mean added problems and additional costs which at this point could not be measured but about which notice should now be given. The missile programme had been disappointingly slow and it was not possible to say what effect ground-to-air missiles, for example, would have on the programme under discussion. It could be

that about the time this reproduction project was completed and the squadrons were acquiring the aeroplanes, Canada might then be embarking on a missile programme.

(g) From the scientific point of view there was a constant race with the Russians. Because of developments in progress, the effectiveness of the deterrent was always only temporary. The Russians and the U.S. were equipping their forces with subsonic and supersonic bombers and the latter were contemplating an unmanned bomber. Beyond that was the intercontinental ballistic missile. If the Russians succeeded in getting that missile into large scale production before the U.S., there would be a major shift in the balance of power since there was nothing available that could deal with it. The date of this was so uncertain, however, that the West could not afford to gamble on having no deterrent at all in the intervening period. Scientifically, the outlook until approximately 1960 was not too alarming from the Western point of view. An elaborate overall defensive scheme for North America was now being studied which would, so it now seemed, be reasonably effective up until about that date. However, for geographical reasons, the percentage of defences contemplated under this system in Canada would be increasing at what could only be described as an alarming rate.

4. *The Committee*, after further discussion, agreed to recommend:

(a) that a preproduction programme for 40 CF105 aircraft in controlled phases be approved, at a total estimated cost of \$191 million, the expenditure to be allocated as submitted, from 1954-1960, and to be met from defence estimates presently contemplated for the next few years; and

(b) that a development and tooling programme for the PS13 engine amounting to 14 units at a cost of \$70 million, to be spread over 1954-58, be approved; the cost also to be met from defence estimates presently contemplated for the next few years;

it being understood that the programme for both the air frame and the engine could be halted or abandoned at appropriate stages if this was found to be expedient or necessary.²⁹

...

312.

PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET

[Ottawa], March 23, 1955

...

ROYAL CANADIAN AIR FORCE; DEVELOPMENT OF CF-105

40. *The Minister of Finance*, referring to discussion at the meeting of March 8th, said that the Department of National Defence had now sought Treasury Board authority for the expenditure of \$40 million to proceed with the first stage in the development of the new CF-105 supersonic all-purpose fighter aircraft. This sum would cover the cost of the first eleven aircraft as well as the cost of tooling. The overall programme would involve construction of forty aircraft, and the development and procurement of engines for them, at a total expenditure of some \$260 million.

²⁹ Les recommandations formulées à l'alinéa 4 ont été approuvées par le Cabinet en séance plénière le 8 mars 1955.

The recommendations in paragraph 4 were approved by the full Cabinet on March 8, 1955.

41. *The Minister of National Defence* pointed out that the total expenditure of \$260 million for the completed project would be spread over a six-year period. It was anticipated that the magnitude of annual expenditure would be of the order of \$15 million the first year, \$47 million the second, \$61 million, the third, \$66 million the fourth, \$40 million the fifth and \$30 million the final year.

42. *In the course of discussion* the following points emerged:

(a) There was no doubt that, at the drafting-board stage, the CF-105 appeared to be a very useful aircraft well suited to the long distances and severe atmospheric conditions of the Canadian north, which would serve the R.C.A.F. as an effective weapon against long range supersonic bombers flying at high altitudes. This development involved the expenditure of very substantial sums of public money and constituted what some might consider expensive insurance against an emergency which might or might not occur.

(b) Good as this aircraft might turn out to be, it was unlikely that other N.A.T.O. governments would adopt it for their own use. One of the reasons for this was that the aircraft was designed to meet conditions peculiar to northern Canada and might not be entirely suitable for use in western Europe; another was that we could not expect the U.S. and U.K. to adopt a Canadian plane rather than develop one of this importance themselves.

(c) It was understood that the \$260 million project could be fitted within total defence expenditure on the present scale; it was hoped that the long-term commitments in this development would not prevent further cuts being made in the overall defence budget during the next few years, if the international situation at that time made such reductions possible.

(d) Without questioning the desirability of proceeding with the CF-105 project, it was suggested that sufficient attention was not being paid to the abandonment of obsolete weapons, formations and strategic concepts in the light of recent developments in the field of nuclear fission. The answer to the problem was perhaps not to curtail new developments, such as the CF-105 project, but rather to make sure that long established methods and weapons were not continued through sheer force of habit and tradition even though they had become obsolete and ineffective. This might require a review of our military commitments in the light of the latest developments.

(e) It should be borne in mind that many million dollars would have to be spent before there could be any assurance that the CF-105 was as good in actual operation as it was on the drafting board.

43. *The Cabinet* approved the entry into a contract with Avro Aircraft, Ltd., of Toronto for the design development and supply of 11 airframes, and the supply of production tooling, for the supersonic fighter aircraft, CF-105, at an estimated total cost of \$40 million; a Treasury Board minute to be issued accordingly.

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313.

DEA/50045-A-40

Extrait du procès-verbal de la réunion du Comité des chefs d'état-major

Extract from Minutes of Meeting of Chiefs of Staff Committee

TOP SECRET

[Ottawa], April 6, 1955

Present

The Chairman, Chiefs of Staff (General Foulkes)
The Chief of the General Staff (Lieutenant-General Simonds)
The Chief of the Naval Staff (Vice-Admiral Mainguy)
The Chief of the Air Staff (Air Marshal Slemon)
The Chairman, Defence Research Board (Dr. Solandt)

Also Present

C.M. Drury, Esq., Deputy Minister of National Defence
R.B. Bryce, Esq., Secretary to the Cabinet
R.A. MacKay, Esq., Associate Under-Secretary of State for External Affairs
Air Vice Marshal Dunlap, Chairman, Canadian Section, Canada-US Military Study Group
Air Commodore Annis, Air Defence Command
Air Commodore Hendricks, Chief of Telecommunications
Group Captain Austin, Air Defence Command
Squadron Leader Bayne, Directorate of Air Intelligence
Air Commodore Rutledge, Co-ordinator, Joint Staff
Secretary, Chiefs of Staff (Commander Solomon)
Assistant Secretary, Chiefs of Staff (Lieutenant-Colonel Rutherford)

I. USAF-RCAF BRIEFING ON THE AIR DEFENCE OF NORTH AMERICA AS PRESENTED TO THE CANADA-US MILITARY STUDY GROUP ON 7 FEBRUARY, 1955

1. *The Chairman, Canadian Section, Canada-US Military Study Group* in introducing the subject of organization for the air defence of North America to the Chiefs of Staff, said that the original terms of reference of the Canada-US Military Study Group were to examine the air defence of North America in general and early warning in particular. The briefing which was to be presented represented the current US Continental Air Defence Command and Canadian Air Defence Command planning as presented to the Canada-US Military Study Group in February 1955. The portion which was to be presented only covered the proposals for the most effective organizational arrangement for the air defence of North America. It was not a final plan but was merely an indication of the present thinking in the Air Defence Commands of the two countries.

2. *Air Commodore Annis*, who conducted the actual briefing, said that the Air Defence Commands recommended the re-organization of air defence as a particularly urgent matter. At the present time Canada faced two main problems; one was a threat to her security imposed by Russian military potential; the other was a threat to her sovereignty resulting from the US reaction to the Russian military threat.

3. The proposal presented to the Military Study Group for a combined Continental Air Defence command did not include consideration of the matter of sovereignty. The proposal to the Military Study Group only mentioned those supporting arguments common to both commands which involve military security and efficiency against the Russian threat to North America.

4. Both the US and Canadian Air Defence Commands saw definite trends in the Russian strategic air threat to North America. These trends include the continuing development of Russian strategic air carriers of a range adequate to approach North America by a wide

variety of routes. Another trend was the widespread devastation and fall-out area potential of fusion bombs which would make it imperative that air battles should be concluded outside the areas of population. This trend would result in a general movement of radar cover and defensive weapons bases outward from the target systems. The third trend was that increases in bomber speeds would call for a general physical depth in the combat zone surrounding the target system. A fourth trend was the tremendous destructive potential contained in the small high performance raid of between 35 to 70 jet bombers which would arrive at the continental defences with no previous warning.

5. The presently planned US programs may possibly infringe on Canadian sovereignty due to the range which US based interceptor weapons would have for operating over Canada. Certain radar equipment and defence squadrons which were physically situated in US territory were now capable of being used in combat over Canada entirely under US control.

6. The US were now actually completing headquarters and operation rooms and a communications network leading to their next stage of organizational structure. This building program, because of its complexity and cost would possibly result in freezing the organization and control channels into a more rigid structure. It was this factor which made a decision on an alternative to the presently US planned organization urgent at this time.

7. The present form of operational control in the US and Canada was non-automatic and was known as a manual system. The US were now in the process of converting to an advanced form of control system which was largely automatic. This system was called "semi-automatic ground environment" (SAGE). The SAGE system organization would enlarge the size of sectors, reduce their total number and would introduce and employ subsectors which would largely centralize in one location the functions currently being performed by several individual radars at their individual radar sites.

8. The importance and complexity of the problem of the possible detection and identification of a small raid could not be over-emphasized. For this reason it was considered very important that a single commander should have surveillance and the control of identification forces, including interceptor fighters necessary to the identification, across the entire northern front. The present US plans are for three US air defence forces under the control of Commander-in-Chief, Continental Air Defence Command. This would result in there being three US and one Canadian air defence force commanders for the North American area. In so far as defence of US against attack from the north was concerned both the US and Canadian Air Defence Commands agreed that if certain weapons and bases now intended to be in the US were relocated at selected points in Canada it would improve the air defence of Canada considerably as well as materially improve the air defence of the US. The improved deployment of weapons has been restrained until now by the absence of a mutually satisfactory organizational arrangement for exerting command and control over such forces under all conditions.

9. The threat to this continent has increased to such an extent in the past two years that even the best air defence possible may not be sufficient. As a result, exploratory planning was begun by both Air Defence Commands with a view to devising the best single air defence of North America under current Canada-US defence arrangements. From these studies it became increasingly apparent that observance of the Canada-US political boundary as a dividing line of military responsibility imposed limitations which made it impossible to achieve the best air defence arrangements.

10. The strategic picture at the present time was that there were three probable avenues of approach to the target areas of Canada and the Continental US; one was from the north,

one from the west and one from the east. Under present arrangements one commander could not exercise control of the air defence arrangements along the whole of any of these fronts, including the full breadth of surveillance which may be necessary to enable timely recognition of the small raid. In addition the problem of depth arose in the case of the northern front. In addition to the forces in Canada, the forces located in the northern US were deployed there primarily for defence against attack from the north. It was not now possible for one commander, responsible for defence along the northern strategic front, to command in depth all the forces deployed to defend against attack through that front. Although the area of Canada and the US together now in fact comprise one air theatre there was not now one overall air defence commander who had the entire strategic picture or who had freedom to manoeuvre any or all of the available air defence forces in accordance with the requirements of the overall strategic picture. This limitation imposed a fundamental weakness in the area defence capability.

11. In the exploratory study of the best defence arrangements for a single air defence system for Canada and the US, ignoring the international boundary as a military dividing line, the following principles were accepted:

- (a) In a single air theatre there should be one overall air defence commander;
- (b) The major fronts of such a theatre should be subdivided into air defence regions in such a manner that,
 - (i) one commander had control of the air surveillance and air battle along the whole of each broad strategic front,
 - (ii) this same commander had command in depth of all forces deployed primarily to defend against attack through that front,
- (c) Each air defence region should be sub-divided into sectors consistent with the following principles,
 - (i) the sector areas should be as large as was practicable,
 - (ii) sectors should be oriented in the most probable direction of enemy approach in order to minimize the necessity for handing over uncompleted intercepts or air battles from one sector commander to another,
 - (iii) the shape of the sector should facilitate the best possible conduct of an air battle passing through it and not necessarily the best possible defence of individual targets lying within it,
 - (iv) a sector boundary should not lie just short of a major target on the most likely route of approach to that target,
 - (v) with the advent of nuclear air weapons the decisive portion of the air should be fought beyond heavily populated areas,
 - (vi) maximum use should be made of existing facilities and communications and there should be a minimum of disruption with the air defence system during a transition period.

12. As a result of this study and based on the above principles it was proposed to subdivide Canada and the Continental US into air defence regions and sectors. The three regions have been designated Combined Northern Air Defence Force, Combined Eastern Air Defence Force, and Combined Western Air Defence Force respectively and the whole has been designated as the Combined Air Defence Command. It was considered that the air defence forces of the two countries should be integrated operationally but in the main should be kept separate logistically and administratively.

13. On the question of command and organization the broad aspects only have been studied. It was believed that there should be one overall air defence commander not only in war but as long before a war as possible. Integration could only be accepted if the overall commander was responsible to the governments of both Canada and the US for the proper conduct of air defence operations. Both countries should have an equal voice in the determination and approval of combined requirements, costs, manning, commitments, etc.

14. *The Chairman, Chiefs of Staff* requested clarification of the position of Northeast Air Command which appeared to have been omitted in the plans for an integrated air defence command as presented.

15. *Air Commodore Annis* said that at the present time Northeast Air Command was under the operational control of the Canadian Air Defence Commander and would logically become one sector in any scheme for a combined or integrated command.

16. *The Chairman, Defence Research Board* observed that it did not necessarily follow that the further north the defences were put the more effective they would be. With limited forces there would be a tendency to thin out the protection and there would then be a practical rather than a theoretical problem to contend with. Our forces should be used where they were able to provide the greatest defence. The SAGE concept would raise serious communications problems. In addition, the system was very vulnerable to jamming. Its adoption by the US would present Canada with the problem of deciding whether something simpler for the short term would be preferable.

17. The organizational problem appeared to be geographical rather than technical. The principles of area responsibility would not be altered by the choice of type of defensive weapons.

18. *The Chief of the General Staff* said that a realistic technical study in relation to the time factor was needed. It was possible that the command system envisaged would be made obsolete by technological advances by the time it was needed.

19. *The Chief of the Air Staff* observed that the briefing was the first indication which the Chiefs of Staff had received from the Canada-US Military Study Group on US thinking on this subject. Before the RCAF proceeded with a further detailed study of the proposals it would be desirable to have an indication of whether such proposals would be acceptable to the government.

20. *General Foulkes* said that it would not be appropriate to present the re-organization plan to the government in its present shape. There would have to be compelling military advantages to an integrated air defence command system to counterbalance political disadvantages. The trend desired in future discussions with the US should be indicated to the government.

20A. *The Associate Under-Secretary of State for External Affairs* said that the briefing indicated very serious political issues for the government whether or not any action were taken on the proposal for a continental air defence command. If accepted the proposal would entail modification of the basic Canadian policy of Canadian command of defence forces in Canada; if no action were taken, United States plans for thickening air defence installations, including guided missile bases, below the border would probably become frozen, with the result that, in the event of war, the air battle would probably take place over the settled areas of Canada. He thought, therefore, that the Cabinet Defence Committee should be briefed about the situation without undue delay.

21. *It was agreed* that the Chief of the Air Staff would prepare a detailed study of an integrated unified command for the air defence system of North America for the early consideration of the Chiefs of Staff.

314.

DEA/50309-40

*Note du sous-secrétaire d'État adjoint aux Affaires extérieures
pour le sous-secrétaire d'État aux Affaires extérieures*

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

TOP SECRET

[Ottawa], April 8, 1955

At the Chiefs of Staff meeting on Tuesday last, we were briefed on continental air defence plans. I don't think there would be much point in summarizing these plans here but I hope you will have an opportunity to see the volume³⁰ produced by the U.S. Air Defence Command and the text of the lecture† we had at the Chiefs meeting. Mr. Barton has a copy of each.

2. The Chairman of Chiefs was disposed to delay bringing the matter up to Cabinet Defence Committee or Ministers individually until the Chiefs had made up their minds on the policy to be recommended to the Government. I pointed out that undue delay might result in American plans being "frozen" with the consequence that the Canadian Government could do little to modify them — A./C. Annis had given us his opinion in his lecture to the Chiefs, that U.S. air defence plans might be frozen in a matter of months. The conclusion of Chiefs was that the Chiefs individually should study the plans at the first opportunity and that a briefing should be given to the Cabinet Defence Committee as soon as possible. Perhaps this means not until after the NATO Council Meeting because the Chiefs or some of them will be in Europe a good deal of the time until after that.

3. The basic issue as I see it is whether we should continue with completely separate air defence Commands which would mean substantially more U.S. installations in Canada and a considerable number of guided missile bases along the Canadian border, or whether we should set up some sort of a joint Command which would mean:

(a) a Supreme Commander for Air Defence who would be American;

(b) possibly three regional Commands under him, one on the U.S.-Canada Pacific coast under an American Commander and possibly a Canadian Deputy, a similar Command on the Atlantic coast and a Central Command under a Canadian Commander with a U.S. Deputy which would cover most of Canada and the northern part of the Central United States. The main argument for the first course is that we could continue to maintain the fiction of sovereignty; the main arguments for the second course are that it would be much sounder militarily and that we could hope to push the perimeter of air defence farther north so that in the event of war the main battle might be fought over the uninhabited rather than the settled areas of Canada; an important consideration if atomic weapons were employed as they likely would be.

4. I do not think that any action is likely during my absence but I thought that you should be warned of this in case anything should arise.

R.A. M[ACKAY]

³⁰ Non retrouvé./Not located.

315.

DEA/50209-40

*Note du sous-secrétaire d'État aux Affaires extérieures
pour le secrétaire d'État aux Affaires extérieures*

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

SECRET

[Ottawa], June 14, 1955

CANADIAN DEFENCE COMMITMENTS IN NORTH AMERICA AND IN EUROPE

The situation which is arising out of the conflicting demands on our defence resources is very disturbing. On the one hand, the thermonuclear threat to North America is obliging us to devote ever larger sums of money and numbers of men to continental defence, and we have now reached the point where, unless we are prepared to obtain additional resources of men and money from some other source, we shall have to accept the necessity of handing over in increasing measure to the United States forces the effective control and manning of defences in our territory. Early warning lines are only the first and by no means the most difficult of these new continental requirements. We are daily learning of new projects which will involve the establishment and operation by the United States of additional defence facilities in Canada.

2. On the other hand, there is mounting evidence that the Soviet Government has embarked upon a determined campaign to bring about the withdrawal of North American forces from Western Europe, or from Germany initially, as the price for German reunification. The disruption or the serious weakening of the Atlantic alliance would be the probable result of Soviet success in this campaign, accompanied by renewed agitation for "Popular Front" governments in France and Italy.

3. It is doubtful that the present German Government would accept reunification on such terms at this stage; but it may be that an offer of reunification will be linked with some Soviet scheme for European "security" and disarmament. The proposals for a European Collective Security Pact made by Mr. Molotov at the last Four-Power meeting in February 1954 were flatly rejected by the Western ministers on the ground that they involved the dissolution of the Western security system while leaving intact the military power of the Soviet bloc in Europe. In the milder atmosphere induced by the new Soviet tactics, however, it may be difficult for European public opinion, and indeed for North American public opinion, to weigh such proposals dispassionately and to give NATO its due weight in the military defence of Western security.

4. In a situation of relative euphoria in Europe any major reduction in our defence commitments there would be likely to have political consequences out of all proportion to the size of the forces involved. By the Europeans it would be taken to signify a lessening interest on our part in the security of Western Europe; for the Americans it might provide an excuse to reduce their own forces overseas; from the point of view of NATO as a whole the withdrawal of any North American forces would entail the very weakening of the alliance which it is a major objective of Soviet policy to achieve.

5. Moreover, if there were to be a withdrawal of United States forces from Europe, this would not (in the absence of an international agreement radically changing and effectively controlling Soviet military capabilities) diminish the apprehension of a possible surprise atomic attack on North America. Indeed, the greater the North American withdrawal from Europe, the more Canada would represent if not the only at least the main buffer area between the United States and the Soviet Union; and in this continental isolation, Ameri-

can apprehensions would tend to lead for some time at least to ever-increasing demands upon us for further measures of defence. We would find ourselves locked in the embrace of the United States in a continental fortress of North America, bristling with atomic armament as its main means of defence. This situation could only be changed as a result of the acceptance of a fool-proof disarmament plan.

6. In handling specific current requests from the United States Government for facilities in or over Canadian territory or for Canadian participation in joint defence measures, we have been taking the position that Canada should at least have some part in continental defence measures, and should reserve the right in all cases to assume responsibilities for defence activities on our soil. If this approach to the handling of specific U.S. requests were pressed to the point where it would necessitate a substantial withdrawal of Canadian forces from Western Europe, it would be essential to examine very carefully the effects of such a course not only on Canada but on Western security as a whole.

7. This is one of the subjects which will be discussed during the first meetings with National Defence on our national security policy. Meanwhile, in view of the rapid and fluid developments in Europe during the next few months, I think it would be most unwise to suggest publicly or even to our NATO partners that Canada is considering the possibility of making major reductions in our defence commitments in Europe. The situation may be different in the near future but the few weeks ahead of us are crucial.

J. LÉGER

316.

DEA/50046-40

*Note du sous-secrétaire d'État aux Affaires extérieures
pour le secrétaire d'État aux Affaires extérieures*

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

TOP SECRET

[Ottawa], September 23, 1955

106TH MEETING OF CABINET DEFENCE COMMITTEE
SEPTEMBER 27, 1955

ITEM I: *Progress of the CF-100 and CF-105 Programmes*

The Department of National Defence has apparently learned that its CF-105 programme is in jeopardy, and as a tactical manoeuvre intends to report on both the CF-100 and 105 programmes, presumably as a means of pointing out their importance in the development of the air defence system for North America.

2. I wonder if you would not wish to take advantage of the review by Cabinet Defence Committee at its next meeting of the CF-100 and CF-105 Programmes, to bring out into the open some of the fundamental problems of continental air defence which we have brought to your attention from time to time in recent months and which are most pertinent to any decisions which may be taken by Ministers on the immediate problems of the CF-100 and CF-105 Programmes.

3. You will recall that some months ago the U.S. and Canadian Air Defence Commands reported to the Canada-U.S. Military Study Group on their plans for air defence up to 1960. After giving a detailed account of plans for new radar lines and elaborate communications systems in Canada, the report concluded with an analysis of the military advantages which would accrue if the present arrangement of "co-ordinated but separate" air

defence commands were replaced by a "combined command". Subsequently, when the Canadian Chiefs of Staff were briefed on the Report by the Acting A.O.C. of the R.C.A.F. Air Defence Command, he expressed the belief that quite apart from the military logic of integration, if we did not move in that direction quickly there was a real danger that the U.S. air defence plan would develop primarily along national lines without regard for Canadian needs, and that the investment in fixed installations would rapidly make it rigid and difficult to modify later.

4. In spite of the arguments, both military and political, which point to the desirability of an urgent and serious study of the question, there seems to be a general reluctance to face up to it. The Canadian Chiefs of Staff have not discussed the matter since the A.D.C. report of last Spring. The United States Air Force Member of the P.J.B.D. made it plain that the U.S. Air Defence Commander was having so much difficulty in integrating the army and navy components of the U.S. air defence organization that he was not anxious, at this time, to superimpose the problems which would arise in developing a combined U.S.-Canadian Command. Dr. Hannah has said that, in any case, the United States did not wish to give any impression of pushing Canada on a matter of such political importance, and that any initiative would have to be taken by Canada.

5. D.L.(1) has recently received information, given on a personal basis by certain R.C.A.F. officers, which suggests that, as suspected, U.S. air defence planning is heading in the direction of the defence of the continental United States rather than including, except incidentally, the populated parts of Canada. As you know, we are now in an early phase of the transition from an air defence weapons system which places primary reliance on the manned fighter to one which will rely mainly on ground-to-air guided missiles. In the United States the installation of the first element of this new system is well advanced — the establishment of rings of NIKE missiles around large cities and key defence bases. The NIKE is a short range missile (about 25 miles) which takes the place of the anti-aircraft gun. This affects Canada because of the United States' desire to complete the defences of such border points as Detroit, Niagara, and Sault-Ste-Marie. We understand that the U.S. Army anti-aircraft commander raised this problem informally with General Simonds just before the latter's retirement. What further action will be taken remains to be seen.

6. Starting about 1959-1960, and perhaps earlier, two much longer-range missiles, known as TALOS and BOMARC, are due to come into operational use. TALOS has a range of about 100 miles, and we understand that the United States plans to put a ring of these around the major industrial regions. It is reported that the ring around the North East region would involve TALOS sites in Canada, perhaps at such locations as North Bay, Ottawa and Montreal. Indeed, it was said that this proposal was likely to be brought up in the P.J.B.D. in the near future.

7. The BOMARC missile has a range of about 250 miles and we understand that it is to have an atomic warhead. It is reported that the plan is to install a ring of these missiles right around the United States. The northern side of this ring would be just south of the 49th parallel, but the missiles would, of course, be fired at approaching hostile aircraft over Canada.

8. Both TALOS and BOMARC are dependent on heavy ground-control radar of the Pinetree type. It is clear, therefore, that the installation of an additional Pinetree-type chain in the vicinity of the Mid-Canada line is essential not only for fighter operations, but also any guided missile installations. In order to be ready at the same time as the missiles become available it would be necessary to start construction of the new radar and communications installations by 1956-57 at the latest.

9. As I mentioned earlier, much of the above information has been obtained on a personal basis without the official sanction of the R.C.A.F. One can never be sure to what extent schemes of this sort are merely the dreams of the planners, and in what measure they reflect officially approved intentions or policies. For this reason the Canadian Chiefs of Staff are reluctant to commit themselves to consideration of such schemes, or even to admit any knowledge of them, let alone bring them to the attention of the Government. On the other hand, the characteristics of both the manned fighter weapons systems and the guided missile systems which are due to come into service during the next five to eight years are sufficiently well-known to make the general pattern of development of air defence very clear. In my opinion Ministers should be made aware of this pattern, and of the very serious implications for Canada.

10. I suggest, therefore, that in the discussion on the CF-100 and CF-105, you might express the view that it is difficult to consider the fighter program out of context with the developing pattern of air defence over the next few years. Guided missiles, such as NIKE, TALOS and BOMARC will be coming into use before long, and American thinking and planning must surely envisage deploying them in, or firing them over Canada, and establishing the necessary control radar and communications. These facts would seem to be of critical importance to the Canadian Government. To what extent is Canadian planning taking these developments into account? Would it not be desirable to have the Chiefs of Staff prepare a report for an early meeting of Cabinet Defence Committee which would deal with this matter, and especially the following points:

(a) What is the probable pattern of development of the North American Air Defence System over the next 10 years, with particular reference to anticipated United States plans and requirements affecting Canada?

(b) How does the Canadian programme for the development of air defence weapons systems fit in with this over-all pattern, and are the Canadian and United States programmes sufficiently closely co-ordinated to ensure that their respective systems are compatible and make the best use of available resources.

(c) Are the Canadian and United States planning arrangements well enough co-ordinated to ensure that the weapons systems coming into use will be deployed with due regard to the protection of Canada as well as the United States?

(d) Is it considered that the present system of co-ordinated but separate air defence commands will continue to work satisfactorily as the new weapons systems come into use, and will it adequately protect Canadian interests if, as we understand, the concept is that the air battle will largely be fought over Canadian territory? If not, what are the alternatives and the factors affecting the timing of their consideration and possible adoption?

J. L[ÉGER]

317.

PCO

*Extrait du procès-verbal de la réunion
du Comité du Cabinet sur la défense*

Extract from Minutes of Meeting of Cabinet Defence Committee

TOP SECRET

[Ottawa], September 27, 1955

Present:

The Prime Minister (Mr. St-Laurent), in the Chair,
 The Minister of Defence Production (Mr. Howe),
 The Minister of National Defence (Mr. Campney),
 The Secretary of State for External Affairs (Mr. Pearson),
 The Minister of Justice (Mr. Garson),
 The Minister of Finance (Mr. Harris).
 The Secretary (Mr. Martin)
 The Military Secretary (Captain Lucas)
 The Chairman, Chiefs of Staff (General Foulkes),
 The Chief of the Naval Staff (Vice Admiral Mainguy),
 The Chief of the Air Staff (Air Marshal Slemmon),
 The Chief of the General Staff (Lieutenant-General Graham),
 The Chairman, Defence Research Board (Dr. Solandt).
 The Secretary to the Cabinet (Mr. Bryce),
 The Deputy Minister of National Defence (Mr. Miller),
 The Under-Secretary of State for External Affairs (Mr. Léger),
 The Deputy Minister of Defence Production (Mr. Golden),
 The Assistant Deputy Minister of Finance (Mr. Deutsch).

I. CF105 DEVELOPMENT PROGRAMME

1. *The Minister of National Defence* recalled that at the 104th meeting held on March 3, 1955 the Committee had agreed to recommend a pre-production programme for 40 CF105 aircraft at an estimated cost of \$191 million to be spread through 1954-1960 and a development tooling programme for 14 PS13 engines at a cost of \$70 million to be spread from 1954-1958. The Committee also agreed that these programmes should be reviewed at appropriate stages and halted or abandoned if this were found necessary. The Cabinet subsequently approved these recommendations.

Since the 104th meeting of the Committee, developments had occurred which he thought he should bring to the attention of the members. The company undertaking these programmes — AVRO — had recently submitted a re-assessment of costs involving an additional \$59 million. In the main this covered increased labour and raw material costs and additional engineering hours for the installation of the PS13 engine. In part, the revised figure was also due to an original under-estimation. Detailed studies were now being carried out to determine if some reduction might be achieved without seriously affecting the programmes.

Close attention was being paid to U.S. and U.K. developments in the fighter aircraft field with a view to determining whether any changes in the Canadian project would be justified. The U.S., for example, was making progress with its F102 and it was being closely compared with the CF105. A decision by the U.S.A.F. to modify its F101 long-range escort fighter to the all-weather role was also being examined. It was significant that the U.S. and the U.K. had recently drawn up requirements for an all-weather fighter closely similar to the CF105. It was proposed to investigate with the authorities in these countries what might usefully be done to avoid unnecessary duplication of effort and cost and to

determine if what was being done in Canada could be fitted into these other two programmes in any way. Improvements in altitude performance and guided missile weapon capability for the CF100 were also being studied with the object of giving that aircraft more height capability against the future Russian bomber threat.

In the light of all these developments, he recommended that the CF105 development programme be re-appraised so that the Committee could consider it further before a decision was made respecting the increased costs now estimated.

An explanatory memorandum had been circulated.

(Minister's memorandum, September 26, 1955, Document D16-55)†

2. *Mr. Campney* added that in the deterrent effort which included the warning lines and communications being constructed, the fighter element was vital. Particularly was this so as the northern part of North America came to assume greater significance in NATO. Any modern fighter aircraft was, however, extremely costly. Despite production difficulties encountered in the CF100, most people were probably thankful that we now had that aircraft. The RCAF was not at this time preparing to replace the F86, nor did it intend to acquire any bombers. As yet, progress in the missile field was slow. It appeared to him, therefore, that we must do our best in the fighter field to counter, as was our duty, the developing threat of Russian bombers. All the factors which he had mentioned seemed to make the suggested re-appraisal most desirable. In fact, plans should be reviewed every six months to keep abreast of developments.

3. *The Minister of Defence Production* said that his department had recently reviewed the costs of the whole programme and estimated that 40 pre-production aircraft plus 300 operational machines would come to just under \$1 billion. Twenty-seven million dollars had already been paid out and even if the programme were to be abandoned at this stage a further \$13 million would be required. Apart from the aircraft itself, it was understood that, except for one or two airfields, existing air strips were not long enough for the new machine. All of this was a colossal element in the defence budget as a whole. He would hope that a re-assessment could be made rapidly because his department was holding back payments on material and equipment.

4. *During the course of discussion* the following points emerged:

(a) In the proposed re-appraisal of the programme, Canada's air defence plans should be considered in relation to U.S. plans. How, for example, did Canadian air defence weapons fit in with U.S. weapons systems? What was the relationship of our system to the command structure? Would it be desirable to have a "combined command"? What effect would the development of ground-to-air missiles have on the CF105 programme? If the U.S. were to withdraw important defence elements back along the border, what would be the effect of such action on the CF105 programme, and what bearing would such action have on the system of command?

(b) When the pre-production programme had been approved earlier in the year, the Committee was advised that there would be a gap before the U.S. and the U.K. would have missiles available to deal with the Russian bomber threat, and during which a fighter of the CF105 type would meet a real need. Indeed, there was no certainty that suitable missiles would be available in time to counter advanced types of Russian bombers. It had to be recognized that the U.S. and U.K. would probably not procure equipment to fill this gap from outside their own countries. There was little possibility of these two nations participating in a combined development programme on the understanding that all three might produce their own machines. The cost of the programme in Canada was very large,

although if it succeeded there was still a good possibility that the first aeroplane would fly early in 1958.

(c) The Chiefs of Staff had available now sufficient information to enable the Committee to be thoroughly briefed on the broad air defence plans for North America before reaching a decision on the increased cost of the CF105. There were five problems which would have a bearing on this briefing. They included the position of the CF105, improvements planned for the CF100, the inability of reserve squadrons to man all-weather fighters and the fact that this would create a serious gap in North American air defences, developments with respect to air-to-air missiles, and certain control and command problems. The briefing should include, insofar as possible, information as to what future weapons would likely become available. In this connection, it was observed that manned aircraft and guided missiles would together form part of the air defence systems and manned aircraft would not be abandoned entirely for some time in the future.

(d) In response to a question, it was stated that considerable information on the plans of U.S. forces was available now, although American intentions were not entirely clear yet. On the question of command structure, there had never been any suggestion that U.S. military authorities were dissatisfied. There had never been any proposal from them for a unified command but from the military point of view it was essential to have one control over a certain piece of air space.

(e) While Canadian authorities were generally aware of U.S. thinking, a recent substantial reduction in funds available to the U.S. Air Force had made the latter re-examine its overall plans for air defence. The U.S.A.F. was now considering a capabilities plan for 1959 based on such aircraft, missiles and other weapons as would be available at that time. There were indications that this plan, when completed, would look more like a scheme for the air defence of the U.S. than for North America. For example, it was understood that the plan involved a line of weapons firing guided missiles along the border. Such a weapon deployment would enable missiles fired from the U.S. to engage targets over a narrow strip of Canada. To a certain extent, any influence that could be exerted in the right direction on these plans depended on the contribution Canada was willing to make to the defence of North America. The U.S. was, rather belatedly, coming round to the view that since an air-tight defence of the whole continent was so expensive, the best that could be done was to create as great a hurdle as possible which the enemy would have to take into account and which would make him pay a severe penalty if he attacked.

(f) With respect to airfields for the CF105, it was pointed out that while one or two strips longer than those presently in existence at Toronto would be required for testing, for operational requirements it was not expected that the strips would need to be much longer than those for CF100's.

(g) The Department of Defence Production required instructions as soon as possible on whether the pre-production contract should be proceeded with. While the proposed re-appraisal of the programme was desirable, certain costs would have to be met during that period, although it would be possible to hold back some major expenditures for perhaps a few weeks. It was essential that the study proceed as rapidly as possible since the programme was approaching a most costly phase.

(h) The additional \$59 million was an attempt to envisage everything over and above the original estimates that had been made. It might be possible to reduce this figure, but this was all predicated on the CF105 being successful. If there were any errors, the figure of \$59 million would have to be revised. Even though difficulties had arisen, it appeared likely that the work on the PS13 would have some permanent value. Canada was well

ahead of the U.S. and the U.K. on this type of engine and it was conceivable that the U.S. might buy the rights from AVRO to produce it.

5. *The Committee*, after further discussion, agreed that the R.C.A.F., together with representatives from the National Aeronautical Establishment, the Defence Research Board, the Departments of Defence Production and Finance, should re-appraise, in the light of the discussion, the development programmes for 40 CF105 aircraft and 14 PS13 engines, and report to the Committee within six weeks' time.

...

318.

DEA/50045-40

*Note du chef de la 1^{re} Direction de liaison avec la Défense
pour le sous-secrétaire d'État aux Affaires extérieures*

*Memorandum from Head, Defence Liaison (1) Division,
to Under-Secretary of State for External Affairs*

TOP SECRET

[Ottawa], November 2, 1955

REAPPRAISAL OF THE CF-105 DEVELOPMENT PROGRAMME

The meeting of the Chiefs of Staff yesterday, November 1, which you asked me to attend was marked by three significant developments in the reappraisal of the CF-105 programme preparatory to the submission of recommendations to the Cabinet Defence Committee:

(1) It was decided that the Chief of the Air Staff would brief the Ministers on the current and prospective developments in the continental air defence system, in the light of talks which he had in Washington at the end of last week.

(2) It was decided, at General Foulkes' suggestion, to revise substantially the draft memorandum to the Cabinet Defence Committee,³¹ setting out more clearly the alternative courses which the Ministers will have to consider with the attendant "advantages", "disadvantages", and "risks" assumed, and also the budgetary implications of each course of action.

(3) Mr. Bryce has given me to understand that he is definitely in favour of continuing the CF-105 development programme, primarily because it would provide a high-quality manned interceptor, and thus reduce the risk of being outclassed by the new type carriers which the potential enemy might use in attacking North America.

2. At the beginning of the meeting, we were informed that Air Marshal Slemon and Dr. Solandt had visited Washington last Friday and Saturday, where they had a talk with Mr. Quarles, the Secretary of the Air Force, General Twining, the Chief of the Air Staff, and General Partridge, AOC, Continental Air Defence Command. In the light of these discussions, General Foulkes proposed that the Cabinet Defence Committee should be briefed orally by Air Marshal Slemon on the background information which the Ministers should have on the air defence system as it is today, including joint Canada-United States air defence plans and anticipated development in air defence in the future, so that they should be in a better position to consider the reappraisal of the CF-105 programme in its proper perspective. General Foulkes said that in particular Air Marshal Slemon's briefing should

³¹ La version finale imprimée de cette note est jointe au document 320.

The final version of this memorandum is printed as an attachment to Document 320.

include an outline of the air defence system, the ground environment system, and, in particular, the prospective switch from reliance on manual methods to semi-automatic methods on control, known as SAGE; the new weapon trends include the use of atomic warheads and missiles.

3. Air Marshal Slemon, in fact, had brought with him a prepared brief³² which he read to the Chiefs. This brief had been prepared some six weeks ago. When comment was invited, I suggested that a clear distinction should be drawn between RCAF thinking, present Canada-U.S. air defence plans, and anticipated developments in the air defence system in the light of USAF thinking as it emerged from the briefing given to Air Marshal Slemon and Dr. Solandt in Washington. I also suggested that it should be made clear that the briefing was concerned with capabilities in outlining the nature and extent of the threat of air attack.

4. From the discussion, I gather these points will be taken into account in the preparation of the brief to be presented by Air Marshal Slemon. I also gather that the briefing in Washington did not bring to light anything very new. Inter-Service rivalry in the United States, particularly between the Army and the Air Force, on the future of missiles, makes it difficult to get a clear indication of the trend in Service planning in the United States as it concerns the introduction of various types of missiles into the air defence system. This, in turn, of course, affects planning of the radar control system, since apparently the radar requirements for the missile NIKE, which is an Army responsibility, are different from the radar requirements for the BOMARC and TALOS missiles, which are Air Force responsibilities.

5. One new, and obviously disturbing calculation emerged from the RCAF brief. According to their calculations, the number of thermo-nuclear weapons that would suffice to deal a knock-out blow to Canada would be something of the order of 40 or 50. Taking into account the number of aircraft the Soviet Union is capable of marshalling for an attack on North America, the RCAF estimates that something of the order of 95% attrition rate is necessary to ensure survival. While Air Marshal Slemon admitted that our defences could not be impregnable, the closer the joint continental air defence system was able to attain such an attrition rate against enemy attackers, the more likely it was to achieve its objective of protecting the population of this continent, its institutions, and enable us to carry on in the event of war. General Foulkes questioned the wisdom of using such figures which might throw doubt on the feasibility of ever attaining an effective defence of this continent. He suggested that, instead, the brief should bring out the point that the essential aim of air defence must be to avoid war by maintaining an adequate deterrent.

6. The RCAF brief brought out the fact that joint Canada-U.S. defence plans contemplated 18 interception squadrons in Canada as its share of 87 interception squadrons (manned) for North America. There was some discussion as to what the basis of sharing the responsibilities for air defence between Canada and the United States might be. Air Marshal Slemon recalled that the USAF had assumed the full burden for the offensive arms of the deterrent in the Strategic Air Command. It might, therefore, be expected that Canada would assume more than its proportion, say in the defensive arms of the deterrent. However, in discussions with the USAF, he had heard of no dissatisfaction of the share which Canada had assumed so far. However, he was not happy about the air defence plans for the future which were being worked out in Washington, particularly as regards the projected deployment of missile bases. The location of missiles on the Canada-U.S. border would

³² Non retrouvé./Not located.

have the effect of having atomic explosions take place over Canadian populated areas, including cities such as Edmonton, assuming that the range of the BOMARC missile, for instance, was of the order of 250 miles. As to the question of sharing the burden in the future, Air Marshal Slemon threw out the suggestion that Canada should assume responsibility for manning the squadrons envisaged in the joint plans (i.e., 18); while the United States should assume a relatively greater proportion of the capital costs required for the developing ground environment radar system. The United States would also, presumably, bear the costs for the development programmes involved in missilery. Mr. Miller, in this connection, recalled that in the development of the PINETREE project a rough division of capital costs were on a 2/3-1/3 basis.

7. How much of all this will go into the brief of the CAS, I do not know, but Mr. Bryce agrees with me that this will be the first time that the Prime Minister and other members of the Cabinet Defence Committee will have been exposed to some of the problems of the air defence of North America and of the many difficulties which lie just ahead. I should imagine that Air Marshal Slemon will also be exposed to some pretty searching questions. Mr. Bryce threw out the suggestion that Mr. Gardner especially might be invited to attend this meeting.

8. As regards the revision of the draft memorandum to the Cabinet Defence Committee, General Foulkes made the general criticism that the alternative courses of action put forward in the Air Force draft had two main defects: (a) that they might delay rather than produce a decision by the Cabinet; and (b) that they did not clearly set out the budgetary implications of various possible courses of action, particularly as they would affect the other Services.

9. General Foulkes circulated, what he called, a "plot" of the alternative courses which might be recommended to Cabinet (not attached). You will observe that each course of action includes paragraphs on the "advantages", "disadvantages", "risks", and budgetary implications for the next seven years. The CAS was also asked, with the assistance of Mr. Miller, to clarify certain apparent discrepancies in the figures contained in the draft memorandum. It was agreed that a revised draft memorandum would be submitted for a further consideration by the Chiefs of Staff next Thursday, November 3, at a meeting to which you are invited, at 2:30 P.M. in the Chairman's Office.

10. After the meeting, I walked back to the East Block with Mr. Bryce, and in conversation he made it clear to me that he personally is in favour of the CF-105 development programme. As far as he is concerned, the question as presented is primarily a choice between quality versus quantity. In other words, in his judgment the CF-105 and the PS-13 engines are outstanding technical achievements which should not be sacrificed unless we are to run the risk of being outclassed in our interceptors in the period before we are in a position to rely more completely on an unmanned defence weapon system primarily based upon the BOMARC, supported by, what is called, a "sophisticated" ground environment radar system.

11. Mr. Bryce, apparently, is not happy about the idea of relying too heavily on U.S. types of manned interceptors, nor upon what might prove to be a premature reliance on unmanned weapons. Moreover, we were told at yesterday's meeting that a group of U.S. officers had been visiting the A.V. Roe Company and expressed particular interest in the PS-13 engine as a means of meeting the decided weakness in suitable jets in the United States. Mr. Bryce's mind seems to be turning to the possibility of lightening the financial burden on Canada if we were to proceed with the CF-105 development programme by

having the engine, at least, sold to the United States, thereby reducing the overhead of the cost of the development programme.

12. Summing up my impressions of this meeting, it seems to me that the presentation of the CF-105 question, when it reaches Cabinet, will have received a far more searching and thorough examination than I, for one, had realized had been given to it. There is no agreement between the respective Chiefs at this stage, primarily because of the financial impact which the development programme, such its mounting expenditures, would have on their respective services. Air Marshal Slemon tried to meet the concern of the other two Chiefs by assuring them that, at the worst, the total cost required to meet the expanding needs of the RCAF is of the order of twice the present Air Force budget. However, the other Chiefs were not reassured, since that would absorb the remainder of the defence budget if the present ceiling is maintained.

13. In the light of the foregoing, I submit for your consideration:

(a) That this Department need not be as concerned as it has been to date with ensuring that the CF-105 question should be presented to the Ministers within the perspective of broader problems of Canada-U.S. air defence, since this is fully realized and provided for in the plans currently under consideration by the Chiefs;³³

(b) that the meeting on Thursday will be primarily devoted to reconciling the views of the respective Chiefs of Staff, and we need not take an active part;³⁴ and

(c) that it might be desirable to reconsider the idea of submitting a memorandum to the Prime Minister on this question, bearing in mind that Mr. Bryce has certain definite views on the subject which I have reported above. You may wish to discuss with him the question of briefing the Prime Minister after the meeting next Thursday.³⁵

G. IGNATIEFF

³³ Note marginale :/Marginale note:
Happy development [Jules Léger]

³⁴ Note marginale :/Marginal note:
I agree [Jules Léger]

³⁵ Note marginale :/Marginal note:
Let us consult further on this after this afternoon's meeting. Thanks J[ules] L[éger].

319.

PCO

Procès-verbal de la réunion du Comité du Cabinet sur la défense
Minutes of Meeting of Cabinet Defence Committee

TOP SECRET

[Ottawa], November 8, 1955

Present:

The Prime Minister, (Mr. St-Laurent), in the Chair,
The Minister of Defence Production (Mr. Howe),
The Minister of National Defence (Mr. Campney),
The Minister of Finance (Mr. Harris).

Also Present:

The Minister of Labour, (Mr. Gregg),
The Minister of Public Works, (Mr. Winters),
The Minister of Veterans Affairs and Postmaster General, (Mr. Lapointe),
The Minister of Northern Affairs and National Resources, (Mr. Lesage),
The Minister of Transport, (Mr. Marler).
The Secretary (Mr. Martin),
The Military Secretary (Captain Lucas).
The Chairman, Chiefs of Staff, (General Foulkes),
The Chief of the Air Staff (Air Marshal Slemon),
The Vice-Chief of the General Staff (Major-General Sparling),
The Vice-Chief of the Naval Staff (Rear Admiral Lay),
The Chairman, Defence Research Board, (Dr. Solandt),
The Vice-Chairman, Defence Research Board, (Mr. Zimmerman).
The Secretary to the Cabinet, (Mr. Bryce),
The Under-Secretary of State for External Affairs, (Mr. Léger),
The Deputy Minister of National Defence, (Mr. Miller),
The Deputy Minister of Defence Production, (Mr. Golden),
Mr. R.G. MacNeil, (Department of Finance).

I. RE-APPRAISAL OF THE CF105 DEVELOPMENT PROGRAMME

1. *The Minister of National Defence* referred to the discussion of this subject at the previous meeting and said that, since then, the Air Force, other departments concerned and the Chiefs of Staff had made a thorough review of the CF105 development programme. Before dealing with the paper³⁶ which had been circulated and examining the courses of action suggested, it would be extremely useful if the Chief of the Air Staff were to brief the Committee, and members of the Government present, and provide them with the background information which had led to the original recommendation for the acquisition of the CF105. This aeroplane would form an integral part of the air defence programme. Its introduction and the facilities required for it to operate at all successfully would have a great bearing on the future of the R.C.A.F., on our coordinated air defence arrangement with the U.S., on any future guided missile programme, and on our role in NATO. It would affect seriously not only the expenditures in his department but the expenditures of the government as a whole. To assist in coming to a conclusion on this complicated matter he had sent the Chief of the Air Staff and the Chairman of the Defence Research Board to Washington to get the latest U.S. views on air defence problems generally, including missile development and the establishment of a suitable ground environment for the most effective defence of North America. The U.S. authorities had been most helpful. They had

³⁶ Voir la pièce jointe au document 320./See attachment to Document 320.

provided all the relevant information available to them and given an indication of their thinking on future developments in these fields.

2. *The Chief of the Air Staff* said that in the studies which had been undertaken an effort had been made to keep as close as possible to those factors which were strictly related to the development and production of this aircraft and, in the light of these, to determine whether or not the large amounts of money involved were justified. However, it had been found that a large number of important related considerations had to be examined before it was possible to reach a conclusion as to whether or not the CF105 programme should be continued. As a result of his recent visit to Washington he felt, for the first time, that the U.S. authorities really regarded Canada as a true partner and an equal in the joint defence efforts being made. He had returned satisfied that at least his thinking with respect to the character of the Soviet threat and the manner in which this might be countered, was shared by the U.S. authorities.

The Threat

Until three years ago, allied intelligence sources did not think the Soviets were technically or administratively capable of putting forth the same effort in the air as the U.S. Recent developments, however, had forcibly brought home the fact that the Russians were just as advanced technologically and otherwise as the democracies. It had therefore been decided that, for planning purposes at least, the Russians would be given credit for just as effective a capability as the Western world.

At present the air threat to North America consisted mainly of the TU4 aircraft, known as the BULL, of which there were 800 in existence. The CF100 had been designed to deal with this type of attacker. The TU4 would continue in operation until 1961 but it would be gradually replaced by a number of jet aircraft known as BADGERS, BISONS and BEARS during that period. By that time, it was estimated Russia would have 400 BADGERS, 725 BISONS and a large number of BEARS, all of which could penetrate well into North America and return to base. Their altitudes ranged between 42,000 and 57,000 feet, but the present all-weather jet, the CF100, could fight effectively only up to 42,000 feet. After the BADGER, BEAR and BISON would come an aircraft of the HUSTLER-HORNET variety, which would be in use in the U.S. by 1962. It could travel up to Mach 1.5 and reach a height of 70,000 feet. It would be capable of carrying a guided missile which would travel at Mach 3.5 a further 100 miles after release. Since it would not be possible to deal with the missile, the aircraft would have to be disposed of beforehand. Following the HUSTLER-HORNET, it was expected that there would be a true supersonic bomber by about 1963 or 1964. All of these were manned threats.

About 1965 it was thought that the Russians would be able to introduce an unmanned bomber or guided missile similar to the NAVAHO travelling at a speed of Mach 2.5. Then would come the ultimate weapon — the intercontinental ballistic missile. Some of the U.S. authorities guessed that this latter weapon would arrive by 1965 but he thought it more likely in 1970.

All aircraft and missiles of which he had spoken could carry an atomic or nuclear weapon with a yield of 10 megatons.

Air Defence System

To meet the threat described, an effective air defence system, capable of refinement from time to time, was required. Such a system, to be at all successful, depended on adequate warning. The first form of warning was strategic. This would come from intelligence sources, some of which kept a particularly close eye on activity on enemy bases. How

successful strategic warning would be a matter of conjecture, but it was to be hoped that some indication of enemy intentions could be received before large-scale bombing missions were actually launched. The second type of warning was tactical, to be obtained when attackers penetrated the North American air defence system. This tactical warning would come from the DEW Line and its sea wings, the Mid-Canada Line and the Pinetree radar chain. The final location of the Eastern sea wing had not yet been settled but it was hoped that it would extend from Frobisher across Greenland to the Azores. These two wings involved a tremendous effort on the part of the U.S. Their cost in money, equipment and manpower was not yet fully known.

In the operation of an air defence system proper there were four distinct elements — detection, identification, interception and destruction. The first three depended largely on radars with their communication networks, control and command centres. Destruction was at present the function of the manned aircraft but without the first three elements in the system it could not be too effective. When an unidentified aircraft penetrated North America the whole warning system was alerted. Every possible means was used to identify the intruder. If it did not appear to be friendly, fighters were immediately put into the air. The take-off and positioning of these defending aircraft were assisted by ground radars until the defenders themselves got within range of the intruders.

At present our air defence system was developed to the point where it would be difficult for an aircraft to pose as a friendly one for very long. This system, however, was in large measure manually operated and its success depended on individuals. It was a subsonic system, but soon it would be necessary to make it completely automatic to cope with supersonic threats. This would be costly, intricate and highly technical. Two such systems were under development in the U.S. — one called BADGE which enabled one station to handle 200 tracks and 100 interceptions and the other more completely automatic, called SAGE, could handle 400 tracks and 200 interceptions. The cost of the latter was many times greater than BADGE.

Joint Canada-U.S. Planning

At present plans for the defence of Canada and the U.S. were initially evolved by the two Air Defence Commands with the planning itself taking place at the U.S. Air Defence Command at Colorado Springs, to which a small Canadian group was attached. These plans were, of course, subject to the approval of the government authorities in each country. It could be said that the system was an integrated one. It was satisfactory for present conditions but it would be necessary to put the machinery on a more formal basis in the near future.

Detailed Air Defence System for Canada and the U.S.

The planners had developed an air defence system which involved the following establishments, some of which were in existence at the present time:

- the DEW, Mid-Canada and Pinetree radar systems, together with the Atlantic and Pacific sea wings;
- 18 fighter bases in Canada, 60 fighter bases in continental U.S., 6 fighter bases in Alaska, 3 fighter bases in Newfoundland;
- 26 additional manned radar stations in Canada, 191 manned radar stations in the U.S., 21 in Alaska, 3 in Greenland, Texas towers³⁷ and picket ships off both coasts of the U.S.;

³⁷ Voir/See Volume 20, Document 486.

- 123 unmanned gap filler radar stations in Canada and 423 unmanned gap filler stations in the U.S.

The R.C.A.F. felt it was only necessary to have 13 additional radars in Canada for the immediate future. The other 13 might come along at a later date. The maximum range of this equipment was 250 miles but much depended on the nature of the countryside in which each station was located. It was to be noted that some of them were proposed for locations on the Mid-Canada line. This was not a duplication of effort, since the main radars provided cover farther north than the Dopplers on the Mid-Canada line and would assist in control of the air battle. They did not provide detection from the ground up. This was the function of the Dopplers on the Mid-Canada line which could detect objects from the surface of the earth up to at least 70 or 80 thousand feet. Both complemented each other. Furthermore, the mid-Canada line would be in existence some time before these further heavy radars.

The manning of the 26 heavy radars would involve approximately 14,000 additional personnel, whereas about 400 were needed for the 123 gap fillers. It was believed that the U.S. had budgeted for this added coverage in their financial planning.

Of the 18 air defence bases, 5 were operational at the present time; 9 others were in existence, but a good deal of work would be required to make them fully operational; 4 new ones would have to be constructed. The Air Force had in its mind, at least, eliminated 3 from the 18 suggested by the planners, on cost grounds and because the greatest emphasis on air defence had, thus far, been placed in the areas in which these would be located. These three were at Seven Islands, Chatham and Halifax. The latter might be manned by the Navy although its capability would be limited. Protection from an attack from the Northeast was not too unsatisfactory now.

Air Marshal Slemon indicated where the possible intercept line would be situated and the air battle occur. This line dictated where the radars and the defence bases should be and was, it was hoped, sufficiently far north to prevent the launching of bombs or missiles from aircraft over the more heavily inhabited areas of the U.S. and Canada. It would remain more or less in the same location as the speeds of both the attacking and defending machines increased. While it was desirable to achieve as much defence in depth as possible, there was a limit to what could be done. The farther radars and other bases were moved northward, the greater the cost. Another point of interest was that the greater the defence in depth, the greater was the benefit to the U.S.

Possible Missile Development

Air Marshal Slemon described briefly a number of the guided missiles under development in the U.S., the most important of which were BOMARCS "A" and "C", TALOS and NIKE. BOMARC "C" would have a range of 250 miles with an atomic warhead, a capability up to 50,000 feet and a speed of Mach 2.7. It would be effective against a threat with a speed somewhat in excess of Mach 2.5. It was dependent for its operation on the type of heavy manned radars he had already described. The same kind of control machinery could be employed as would be used for the CF105. BOMARC "C" was supposed to come into operation in the U.S. in 1961. Its estimated operational use in Canada was 1962 but he thought the date might be somewhat later than that. TALOS was a shorter range weapon useful against a threat with a speed up to Mach 2. NIKE was already well advanced. It had a range of 50 miles and was a good air defence weapon as far as it went, but it had limited uses in Canada. When BOMARC "C" was available it was contemplated that it would be substituted for manned aircraft, although probably both would be in operation for a period together, with the latter gradually being phased out of the system as time went on.

Type of Fighter Aircraft Required

The selection of the appropriate type of fighter aircraft for the threat envisaged depended on a number of factors. The range was calculated on the distance between bases, the distance between the outer fringe of radar cover and the base deployed furthest from that coverage, the speed of the target and detection, identification, tracing and scrambling times. The U.S. were attempting to develop a fighter with a good range and at the same time some ability to loiter in the area of the probable battle. Other factors to be kept in mind in choosing a fighter were the amount of fuel to be carried, the radar equipment to go into it and the weapons with which it would be armed.

Our present fighters were equipped with .5[0 calibre] guns and rockets. These were adequate for the existing threat but they were not lethal enough for the future. It was proposed therefore that they be replaced by missiles to be guided onto the target by radars or infra-red devices within the weapons themselves. Two such missiles presently being developed were the FALCON and the SPARROW. The FALCON weighed approximately 150 lbs., was about 7 feet long and carried an HE warhead. The SPARROW was larger, weighed approximately 350 lbs. and could carry an HE or atomic warhead. The U.S. was working on the development of a much larger missile which it was hoped would deal with mass raids. The CF105 was being designed to carry all three.

Air Marshal Slemon emphasized that it was impossible to create an impregnable air defence system. The best that could be expected was the development of a deterrent, as efficient as possible, which the enemy would have to take into account in his plans if he hoped to carry out a successful attack. This was tremendously expensive and how far the Air Force felt it could go in recommending such expenditures was a very difficult question of judgment. The U.S. had not in the past had too much regard for the financial problem but now they were becoming much more conscious of the full impact of the costs involved. Both the U.S. and, to a lesser extent, the U.K. were carrying a great burden through their contributions to the deterrent of the Strategic Air Force and Bomber Command. The development of bomber and fighter aircraft involved the design and planning of a large number of machines, many of which never got beyond the drawing board stage. The U.S., for example, had 44 and the U.K. approximately 24 aircraft under design at the present time. In Canada there was only one — the CF105 — and possibly two if the BRITANNIA³⁸ was included.

3. *The Prime Minister* asked Air Marshal Slemon to describe some of the characteristics of the proposed CF105.

4. *Air Marshal Slemon* produced an illustration and a model of the CF105. It was a big aircraft. It would be capable of carrying in its belly 8 FALCONS, 4 SPARROWS or one of the big weapons which the U.S. was developing for mass raids. It was designed for supersonic missions and could fly at approximately Mach 2. Speeds in excess of that might create a serious over-heating problem.

It had been thought originally that the U.S. Pratt and Whitney engine, the J75, would be used to power the airframe, but meanwhile AVRO had developed the PS13 which looked as though it would be a better piece of equipment. The U.S. had a real need for an engine similar to the PS13, but whether or not engines made in Canada would be bought was exceedingly doubtful. The PS13 was being developed for a 20,000-lb. thrust and it might go up to 25,000 lbs. So far it had been run to produce a thrust of 15,000 lbs. and, except for

³⁸ Un appareil de conception canadienne pour le transport de troupes et de marchandises.
A Canadian-designed troop and cargo transport.

one serious complication, which had been overcome, development was going ahead satisfactorily. The aircraft was scheduled to fly in 1957 but he felt that everything must go well if this target date was to be achieved. The pre-production programme had called for 40 aircraft and he expected that if this was followed about one-half of these might enter into squadron service. While there was a difference of opinion on possible performance amongst those who had studied the programme carefully, the range of views was within limits which the R.C.A.F. considered acceptable. The U.S. technical experts were satisfied that development at this stage was as good as could be expected in a new aircraft.

The range of the aircraft itself depended on the mission which it might perform. At subsonic speeds, it could travel up to 350 miles away from its base and return, and up to at least 200 miles at supersonic speeds. Ranges could be boosted if other needs were sacrificed. The studies made so far indicated that what the Air Force had requested in this type of machine was a requirement for the air defence of North America. Comparisons had been made with the only other type of aircraft which might be suitable for similar missions — the U.S. F102B — and the Air Force had come to the conclusion that money could best be spent on the CF105. In certain respects the performance of the F102B was similar to the CF105, but in others it was quite different. The U.S. authorities had confirmed that the CF105 was not to be compared with the F102B in the light of the R.C.A.F.'s operational requirements. The F102B would, however, fly some time next year.

At the request of the Minister of National Defence, the U.S. had recently sent a team to AVRO to re-assess the whole CF105 development programme. It was expected that their views on this would be available shortly.

5. *During the discussion* the following points emerged:

(a) Attacking bombers were not likely to carry air-to-air missiles to ward off defending aircraft. The former depended for their security on speed and altitude. As far as was known at the moment there were no air-to-air missiles on Russian bombing aircraft. Their only armament was guns in their tails. Generally it seemed unlikely that bombers would be heavily armed.

(b) In making the re-assessment of the CF105, consideration was given to the fact that the F102B was in a more advanced stage of development than the CF105. So far Canada had been fortunate in its aircraft development programmes. If it failed on the one under discussion which involved such a large expenditure, criticism would be most severe. However, the CF105 could profit from the mistakes made on the U.S. F102B.

(c) The question was asked what relationship the CF105 and other defence developments in North America had to the air defence of Europe. In reply the view was expressed that the Europeans were coming to the realization that the security of North America was of just as great significance to them as it was to North America. However, the meeting of NATO Defence Ministers in October was disturbing on some counts.³⁹ There appeared to be a lack of the necessary energy and initiative to proceed with the most urgent measures, for example, an adequate warning system, required for the defence of Europe. There was a feeling in certain quarters in Europe that to meet added air defence burdens further assistance would be required from North America. However, if Canada undertook the CF105 programme and other related measures which had been described, it would be difficult to continue to give assistance to overseas countries either through mutual aid or otherwise on the scale which had been previously undertaken.

³⁹ Voir/See Document 217.

(d) The requirements for air defence in Europe were different from those in North America. The BADGER-BEAR-BISON types of aircraft were designed presumably for long-range operations against North America and not for attacks in Europe. What was needed to protect the European countries of the NATO alliance was a system of missiles fired to points beyond NATO borders. However, a shield of ground forces protected and supported by tactical air forces would still be necessary. In effect, there was no proper integrated air defence of Europe at the present time. SACEUR was struggling with this problem but was faced with great difficulties since many countries, particularly the U.K., did not wish to dedicate their air forces to an overall Air Defence Commander.

(e) If there was a wavering in Europe and an unwillingness to provide necessary air defences, would the U.S. and Canada be called upon for more assistance? To this it was said that the NATO authorities had been advised that Canada's mutual aid contributions could be expected to decrease. Nevertheless it was quite possible, for example, that we would be pressed to alter the role of the Air Division and provide it with more squadrons of all-weather fighters.

6. *The Committee* noted the briefing given by the Chief of the Air Staff on air defence problems and the subsequent discussion, and agreed to consider in detail at an early meeting the CF105 development programme.

W.R. MARTIN
Secretary
F.W.T. LUCAS
Captain, R.C.N.
Military Secretary

320.

DEA/50046-40

*Note du sous-secrétaire d'État aux Affaires extérieures
pour le secrétaire d'État aux Affaires extérieures*

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

TOP SECRET

Ottawa, November 10, 1955

108TH MEETING OF CABINET DEFENCE COMMITTEE

10.30 A.M., THURSDAY, NOVEMBER 17, 1955

ITEM I: RE-APPRAISAL OF THE CF-105 DEVELOPMENT PROGRAMME⁴⁰

You will recall that, at its 106th Meeting on September 26, the Cabinet Defence Committee agreed that the RCAF, with appropriate assistance, should re-appraise the development programme for 40 CF-105 aircraft and 14 PS-13 engines and report back to the Committee within six weeks.

2. An ad hoc interdepartmental committee was set up under the chairmanship of the Chief of the Air Staff, and I attended some of its meetings. (The membership of the committee and its working groups is contained at tab 2 in the attached Memorandum to the Cabinet Defence Committee.) The technical problems relating to the CF-105 programme

⁴⁰ Note marginale :/Marginal note:

We are embarking on a CF105 program which [the] USA feels they do not need for continental defence [L.B. Pearson]

were examined in detail by the working groups, as will be apparent from the report to the ad hoc committee commencing with tab 3 in the Memorandum to the Cabinet Defence Committee.

3. In addition Air Marshal Slemon and Dr. Solandt visited Washington on October 28 and 29, where they talked with Mr. Quarles, the Secretary of the Air Force, General Twinning, the Chief of the Air Staff, and General Partridge, Commanding General of Continental Air Defence command. The information which they obtained about U.S. plans and trends in continental air defence formed part of the briefing by the CAS of which the 107th Meeting of the Cabinet Defence Committee on November 8 consisted. Attached is a memorandum† containing an outline of this briefing as it was presented to Mr. Campney on November 7, in preparation for the Cabinet Defence Committee meeting the following day.

4. I suggest that you read in particular Mr. Campney's cover Memorandum to Cabinet Defence Committee (3 pages), together with Addendum 1 (9 pages). They were worked out in draft at two Chiefs of Staff Committee meetings on November 1 and 3. The cover Memorandum lists three possible main courses of action — "A", "B" and "C" — and agrees in principle with the most expensive, Course "C": to improve the high altitude capability of the CF-100 and equip it with an air-to-air missile; to proceed with the CF-105 aircraft and engine programme; and to incorporate into the air defence system surface-to-air guided missiles (Bomarc) as soon as their development makes this possible. Addendum 1 contains a comparison of the estimated costs of the three main courses, and of three possible modifications to them, to assist with the further consideration of the problem which it is recognized is necessary.

5. The re-appraisal of the CF-105 programme has been thorough and has been related to the probable development of the air defence system of North America as a whole over the next few years, as this Department hoped it would be. A good case has been made on military grounds for proceeding with the CF-105, and with the rest of the proposed air defence programme. However, I suggest that it is important to recognize that acceptance of this case may have important foreign policy implications.

(1) *Mutual Aid*

If the ceiling on defence expenditures is to be maintained at approximately its present level, and the army and navy are not to experience heavy cuts, our contribution to NATO Mutual Aid, including the aircrew training programme, will probably be affected. Certainly National Defence is thinking along the lines of downward revision of our contribution.

(2) *European Defence Commitments*

If a larger share of the defence dollar is devoted to continental air defence, our other European defence commitments (in addition to Mutual Aid) may have to be substantially reduced.

Whether (1) and (2) can be justified in terms of the broader considerations — political and military — of Canadian security, cannot be determined without examining the Canadian defence programme as a whole in terms of both political and military considerations. This leads one inevitably to the conclusion that no satisfactory decision can be made on the air defence segment of the defence programme, and on the CF-105 portion of this segment in particular, without referring to their implications for the defence programme as a whole, including the important political considerations concerned with Canada's relations with its allies. This points to the necessity of going ahead without further delay with the projected national security policy study.

(3) Defence Relations with the U.S.

The CF-105 programme raises the whole problem of the basis on which our air defences are at present planned and co-ordinated with the United States. The programme will only make sense if it fits into an overall air defence plan, which takes Canadian interests fully into account.

At present, as you know, there is, in effect, no unified air defence concept. Although there is some joint planning, principally through the Continental Air Defence Command, it is on the basis of no commitments to the respective governments and subject, in particular, to the implicit understanding that, roughly, the present ceilings apply to the availability of manpower and funds. Moreover, considerations of national autonomy have made us reluctant to pursue the problems of a Unified Command, which would be a necessary corollary of a Unified Air Defence system.

I submit that it is a matter requiring consideration, whether the current limits governing joint planning of air defence are capable of producing an air defence programme which can provide an adequate insurance against the risks of air attack on Canada, bearing in mind that our defence interests will not be provided for in U.S. plans and arrangements, except in so far as we constitute, because of geographical location, a peripheral area of the U.S. air defence system.

(4) Increased Rigidity in our Foreign Policy

Adoption of the National Defence recommendations implies that a large portion of the defence expenditures of Canada over the next 10 years will be committed to an enlarged programme of continental air defence, against the possibility of a hot war, at a time when Soviet tactics are fluid and are concentrating on cold peace manoeuvres. This defence commitment will inevitably produce a rigidity in our approach to foreign policy questions at a time when we need to be increasingly flexible if we are to provide effective answers to changes in Soviet tactics. To be more specific, it will, for example, be more difficult than ever to obtain approval for increases in our contributions to such measures of international cooperation as the Colombo Plan, even though our appreciation of the international situation clearly calls for such increases.

J. L[ÉGER]

[PIÈCE JOINTE/ENCLOSURE]

*Note du ministre de la Défense nationale
pour le Comité du Cabinet sur la défense*

*Memorandum from Minister of National Defence
to Cabinet Defence Committee*

CABINET DOCUMENT D22-55

Ottawa, November 4, 1955

TOP SECRET

REAPPRAISAL OF THE CF105 DEVELOPMENT PROGRAMME

1. At the 106th meeting on 27 September, the Committee agreed that the RCAF, together with representatives from the National Aeronautical Establishment, the Defence Research Board, and the Departments of Defence Production and Finance should reappraise the development programme for 40 CF105 aircraft and 14 PS13 engines.

2. Accordingly an ad hoc interdepartmental committee was organized with membership as charted in Addendum 2.† The National Aeronautical Establishment participated only in

the reappraisal of the aerodynamic design. This interdepartmental committee has considered reports of a number of working groups set up to examine various elements of this reappraisal. These reports are attached as Addendum 3, to which are attached Appendices "A" to "F" inclusive.

3. All studies indicate that the variation of opinion concerning the technical soundness of design of the CF105 lies within limits which are quite normal at this stage of development for a new aircraft. Even the most pessimistic estimates indicate that the aircraft will meet the manned bomber threat which will persist throughout the life of the CF105, and show also that it will be superior in performance to any comparable aircraft being developed by the United States or the United Kingdom and, furthermore, that its degree of superiority is essential in the light of the threat.

4. It has been brought out clearly that the development of the CF105 is a part of a much larger problem involving a great many factors and considerations, some of the more important being:

(a) the need to extend and improve the ground/air radar control coverage in Canada, in order to keep abreast of the developing air threat, and the introduction of a system of automatic data processing to cope with the volume of high speed fighter interceptions;

(b) the need to develop further and utilize to the fullest possible extent the potential of the CF100; and

(c) the need to introduce long-range surface-to-air guided missiles (Bomarc) into the air defence system, as soon as that type of weapon becomes available.

5. From the results of the studies of the working groups, there emerged three alternative courses of action:

Course "A". Abandon the further development of the CF105 and shrink our development effort to the improving of the high altitude capability of the CF100 aircraft and equipping it with an air-to-air missile, thus placing our dependence upon being able to get into effective operation a long-range surface-to-air guided missile system (Bomarc) soon enough and with enough reliability.

Course "B". To improve the CF100 aircraft as mentioned in "A" above; to drop the CF105 aircraft and engine development programme; and to introduce in its place the USAF F102B manned interceptor as an interim measure to cover the period until a surface-to-air guided missile (Bomarc) system becomes available and can be put into operation.

Course "C". To improve the CF100 as mentioned in "A" above; to proceed with the CF105 aircraft and engine programme; and to incorporate into the air defence system surface-to-air guided missiles (Bomarc) as soon as their development makes this possible.

6. The ad hoc interdepartmental committee considered that the weight of evidence indicates that:

(a) Course "A" involves an unacceptably high risk.

(b) Course "B" is unacceptable for a variety of reasons, the chief of which are that the USAF F102B aircraft is not a sufficiently long step forward and that this course of action would mean abandoning at considerable cost the very considerable advantage we have already gained in the CF105 aircraft and engine project.

(c) Course "C" has the greatest attraction since it will narrow the gap in the combined U.S. and Canadian air defence system during the period in which guided missiles are being introduced. This course of action makes best use of the heavy investment which has already been made in both the CF100 and the CF105 programmes, and since it backs up

the American development effort as well as filling a gap therein, it is therefore an essential contribution to our common defence efforts.

7. To the extent that the CF105 development project, which is not duplicated in either the United Kingdom or the United States, adds to the total strength of NATO, it is regarded as an addition to the deterrent and hence as a contribution to the preservation of peace.

8. The Chiefs of Staff have considered the report of the ad hoc interdepartmental committee, and they concur in the conclusion of the studies shown in the appendices and agree in principle with the recommendations made in para. 6 above. However it was recalled that when authority was given for this development programme, the Cabinet made it clear that "the expenditures for this purpose were to be made from defence estimates presently contemplated for the next few years". Therefore the Chiefs of Staff agree that further consideration should be given to the cost of each of these recommendations and the impact of their acceptance on the defence budget over the next five years. It is considered that it is not practicable to make recommendations on the development of the CF105 and the PS13 engine without taking into consideration the requirements of the Navy and the Army and other relevant air defence projects which may be a charge against the defence budget during this same period; namely,

- (a) the improvement of the CF100 and the introduction of the Sparrow guided missile;
- (b) the introduction of a system of automatic data processing and the provision of additional radar coverage;
- (c) the additional regular squadrons of all-weather fighters required to replace the auxiliary squadrons now found to be unsuitable for the immediate air defence role;
- (d) the introduction of long-range guided missiles into the air defence system; and
- (e) improvements and additions to the air defence base complex to provide a total of 15 bases.

9. Therefore it was decided to prepare as a basis for discussion several alternative courses, together with estimated costs, which could be considered in arriving at a solution to this problem. The various courses and a rough approximation of the cost are attached as Addendum 1. It should be noted in considering these various alternatives, the following projects will require consideration irrespective of the decision which is taken regarding the future type of aircraft to be used in the air defence system:

- (a) an improved ground/air radar control coverage; and
- (b) the introduction of automatic data processing.

These projects are of a joint nature which will serve the USAF as well as the RCAF, and it might be possible to give consideration to a scheme of joint financing as was agreed in the case of "Pinetree" and the early warning system.

[R.O. CAMPNEY]

[ADDENDUM 1]

TOP SECRET

REAPPRAISAL OF CF105 DEVELOPMENT PROGRAMME

ALTERNATIVE COURSES OF ACTION

1. From the results of the studies of the working groups which carried out a reappraisal of the development programme for the CF105 supersonic long range all-weather intercept-

tor, there emerged three alternative courses of action, "A", "B" and "C", as discussed hereunder.

MEASURES COMMON TO ALL COURSES OF ACTION

2. Certain measures which are common to all three courses of action, and which are costed separately at the outset, are:

(a) The improvement and extension of the ground/air radar control coverage. This involves 26 additional heavy radars and 123 gap filler radars.

(b) The introduction of a system of automatic data processing, to cope with the volume of high speed fighter interceptions.

3. Cost Analysis

Requirement	Total Cost (\$ Millions)	Annual Expenditure				
		56/57	57/58	58/59	59/60	60/61
26 Heavy Radars (Appendix A-Para.5)	459.0	12.0	77.0	137.0	160.0	53.0
123 Gap Fillers (Appendix A-Para.5)	75.0	1.0	5.0	9.0	14.0	15.0
TOTAL CAPITAL (Radar)	534.0	13.0	82.0	146.0	174.0	68.0
Data Processing System (Addendum 3-Para.4(c))	333.0	—	5.0	25.0	42.0	53.0
TOTAL CAPITAL	867.0	13.0	87.0	171.0	216.0	121.0
ANNUAL RECURRING		5.0	16.0	33.0	60.0	81.0
GRAND TOTAL		18.0	103.0	204.0	276.0	202.0

Impact on Defence Budget

4. For effective operation the USAF require the additional 26 heavy radars and 123 gap fillers over Canada and have, it is understood, included them in their programme. It is possible, therefore, that they would be prepared to accept the total cost of this programme. It is also possible that some share of the automatic data processing system may be borne by the USA but this has not been reflected in these costs, and in this case the impact on the defence budget would be as follows:

1956/57	57/58	58/59	59/60	60/61
0	\$12.0M	\$38.0M	\$62.0M	\$79.0M

These amounts cover the total costs — capital and recurring — of the data processing system.

COURSE "A"

5. Acceptance of Course "A" would involve:

(a) Improvement of the high altitude capability of the CF100 aircraft and equipping it with an air-to-air guided missile (Sparrow II).

(b) Termination of the development project on the CF105 and the PS13 engine.

(c) Improvements and additions to the air defence base complex to provide a total of 15 bases.

(d) Introduction of a long-range ground-to-air guided missile defence system (Bomarc) as soon as possible.

6. *Impact on Defence Budget*

	Total Cost (\$ Millions)	Annual Expenditure				60/61
		56/57	57/58	58/59	59/60	
(a) Improvement of CF100 (Appendix A-Para. 4 & 7)						
Extended Wing and Weight Saving	6.1	1.5	4.6			
Simplified Reheat	35.5		8.0	12.0	15.5	
Missile Capability	49.5		7.0	18.0	24.5	
Sub-Total	91.1	1.5	19.6	30.0	40.0	
Sparrow	150.1	1.5	11.0	22.4	28.0	87.2
(Appendix B-Annex 4)						
Additional CF100's	67.3		12.0	55.3		
Sub-Total	308.5	3.0	42.6	107.7	68.0	87.2
(b) Terminate Development CF105 & PS13	13.0	13.0				
(c) Base Complex	128.0	10.0	25.0	25.0	25.0	25.0
(d) Add Bomarc when available (Appendix C)	210.0			25.0	80.0	105.0
TOTAL CAPITAL	659.5	26.0	67.6	157.7	173.0	217.2
RECURRING COSTS		5.2	23.7	62.0	72.8	88.3
TOTALS		31.2	91.3	219.7	245.8	305.5

Advantages

7.(a) *Concentration of Effort.* Elimination of the introduction of an interceptor aircraft such as the CF105 would permit greater concentration by the Service and industry upon the surface-to-air guided missile (Bomarc) when Canadian effort could be usefully employed on this missile program about three years hence.

(b) *Cost.* The obvious saving of not introducing another manned interceptor.

Disadvantages

8.(a) *Limitation of CF100.* Due to limitations in speed, altitude, and armament versatility, the CF100, even when improved, falls significantly short of the capabilities of an aircraft such as the CF105. This creates a serious gap in the defences, particularly from about 1958 until such time as Bomarc is installed and becomes operationally effective on a broad front which might not eventuate before 1963 or later.

(b) Any serious slippage in the Sparrow II programme or Bomarc "C" programme greatly aggravates the foregoing disadvantages.

Risk

9. Until well into the 1960's we would be completely dependent on the partially effective CF100, and upon the possibility of success of Bomarc, an operationally untried weapon which is still in the early development stages. This, coupled with Bomarc's comparative inflexibility of operation when viewed in the light of electronic countermeasures and other techniques which may evolve, highlights the great risks attached to this course of action.

COURSE "B"

10. Acceptance of Course "B" would involve:

(a) Improvement of the high altitude capability of the CF100 aircraft and equipping it with an air-to-air guided missile (Sparrow II).

(b) Termination of the development project on the CF105 aircraft and the PS13 engine.

(c) The production of the American F102B interceptor in Canada at the rate of 10 aircraft per month.

(d) Improvements and additions to the air defence base complex to provide a total of 15 bases.

(e) The introduction of a guided missile system (Bomarc) as soon as possible in substitution for that part of the manned interceptor programme replaceable by Bomarc.

11. Impact on Defence Budget

	Total Cost (\$ Millions)	Annual Expenditure				
		56/57	57/58	58/59	59/60	60/61
(a) CF100 plus Sparrow (Appendix A-Para. 4 & 7) (Appendix B-Annex 4)	308.5	3.0	42.6	107.7	68.0	87.2
(b) Terminate Development CF105 & PS13	13.0	13.0				
(c) Base Complex	128.0	10.0	25.0	25.0	25.0	25.0
(d) Introduce F102B (Appendix B)	903.0	10.0	73.0	161.0	182.0	
Falcon Missile	112.0	1.0	9.0	16.0	21.0	65.0
TOTAL CAPITAL	1464.5	27.0	86.6	221.7	275.0	359.0
RECURRING COSTS		5.2	23.7	62.0	72.8	88.3
TOTALS		<u>32.2</u>	<u>110.3</u>	<u>283.7</u>	<u>347.8</u>	<u>447.3</u>
BOMARC				25.0	80.0	105.0

12. The advantages and disadvantages of this course of action revolve around the relative merits of the CF105 and the USAF all-weather fighter, the F102B, which is the only aircraft with performance sufficiently comparable to the CF105 to warrant examination as a possible substitute. The air defence efforts of Canada and the U.S.A., because of their mutual dependence, are developed in concert. Canada's decision to produce the CF105 followed consultations with the USAF, it being agreed that such an aircraft was an essential element in the air defence arsenal, particularly for operation in the fringe areas. The advantages and disadvantages of Course "B" should be considered in this light.

Advantages

13.(a) The F102B has the earliest availability date of any manned interceptor which might be considered as a replacement for the CF100; it is likely to be available about 1 year earlier than the CF105.

(b) The development phase of the F102B is more advanced than the CF105 and, in consequence, it may be considered that there are less uncertainties involved in its ultimate success.

(c) Since the F102B is a single-seater aircraft, an economy would be effected in aircrew and aircrew training requirements. However, the CF105 is being developed to permit the elimination of the second seat if future technical developments and operational experience so warrant.

(d) Aircraft for aircraft the F102B is less costly than the CF105; however its lesser effectiveness and shorter range result in the need for a greater number of aircraft and bases and, dollar for dollar, the CF105 provides significantly more defence.

Disadvantages

14.(a) The F102B is inferior to the CF105 in:

- (i) aircraft performance, particularly in altitude and range capability;
- (ii) flight and fire control systems;
- (iii) radar ranging and tracking, which are highly important;

(iv) armament and weapon flexibility (Sparrow vs Falcon). The F102B is incapable of carrying as large or as effective a load of missiles as the CF105, and this comparative deficiency is particularly significant with respect to a large air-to-air missile of high security classification presently under development.

(b) The CF105 being a two-seater, larger, and more spacious, possesses greater development potential to cope satisfactorily with the threats that are envisaged for the period 1960-65.

(c) There are certain tactical situations (electronic counter-measures, broadcast control, and low level attacks) in which the single-seater aircraft is at a serious disadvantage compared to the two-seater aircraft.

(d) If there is a further slippage in the missile development programme, manned aircraft must continue to meet the threat alone for a longer period. The CF105 is in a position to do this much better than the F102B.

(e) This course of action would mean abandoning at considerable cost the very real advantages we have already gained in the CF105 programme.

Risk

15. The ineffectiveness of the F102B compared with the CF105 under certain important tactical situations makes the F102B a risky investment. There is a primary risk also that the F102B will not be technically successful. It is still a development project and any such project can fail. In this case with both Canada and the USA dependent on the same project, failure would be serious. Furthermore, should Russian capabilities exceed our present expectations we might well be caught with an aircraft (the F102B) incapable of handling the threat.

MODIFICATION NO. 1 TO COURSE "B"

16. A modification to this course of action which would effect a material saving would be to continue to use the CF100 in its present form without carrying out the improvements to the aircraft or fitting air-to-air guided missiles.

17. *Saving Effected*

	Total Cost (\$ Millions)	Annual Expenditure				
		56/57	57/58	58/59	59/60	60/61
(a) Improvement of CF100 (Appendix A-Para 4 & 7)						
Extended Wing and Weight Saving	6.1	1.5	4.6			
Simplified Reheat	35.5	8.0	12.0	15.5		
Missile Capability	49.5		7.0	18.0	24.5	
Sub-Total	91.1	1.5	19.6	30.0	40.0	
(b) Sparrow (Appendix B-Annex 4)	150.1	1.5	11.0	22.4	28.0	87.2
TOTAL	241.2	3.0	30.6	52.4	68.0	87.2

Advantages

18. It eliminates the cost of improving the CF100 and of purchasing Sparrow, a missile which will not be used by the F102B.

Disadvantages

19. This does not make the best use of the large capital investment already made in the CF100. By improving the CF100 we are obtaining an aircraft with a limited but worthwhile performance against the expected threat. Additionally, the operational force will be equipped with CF100 and Sparrow much earlier than it can be fully equipped with

F102B's. During the time it would take to replace the present CF100's (in an unimproved state) by F102B's, the improved performance of the CF100 with Sparrow will be extremely important to our air defence system.

Risk

20. The risk involved here is the same as that outlined in Para. 15, with the added danger of delays or failure in the F102B programme which would leave us naked without any aircraft capable of dealing with the threat. If the F102B programme went according to plan the period during which our defences would be vitally weak would be about 2 to 3 years.

COURSE "C"

21. Acceptance of Course "C" would involve:

(a) Improvement of the high altitude capability of the CF100 aircraft and equipping it with an air-to-air guided missile (Sparrow II).

(b) Continuation of the development of the CF105 aircraft and the PS13 engine projects leading to their production.

(c) Improvements and additions to the air defence base complex to provide a total of 15 bases.

(d) The introduction of a guided missile system (Bomarc) as soon as possible in substitution for that part of the manned interceptor programme replaceable by Bomarc.

22. Impact on Defence Budget

	Total Cost (\$ Millions)	Annual Expenditure				60/61
		56/57	57/58	58/59	59/60	
(a) CF100 plus Sparrow	308.5	3.0	42.6	107.7	68.0	87.2
(b) Development CF105	255.4	55.6	67.4	62.7	23.5	
Development PS13 (Appendix B)	44.0	24.0	20.0			
(c) Production CF105 and PS13	1544.4	18.2	122.2	275.6		
(d) Base Complex	128.0	10.0	25.0	25.0	25.0	25.0
TOTAL CAPITAL	2280.3	92.6	155.0	213.6	238.7	387.8
RECURRING COSTS		5.2	23.7	62.0	72.8	88.3
GRAND TOTALS		97.8	178.7	753.6	311.5	476.1
BOMARC				25.0	80.0	105.0

Advantages

23. In addition to all the advantages of the CF105 discussed under Course "B", the following are additional advantages of Course "C":

(a) This course of action takes important advantage of the significant difference in concept of operation between the CF105 and the F102B.

(b) The USAF having programmed the F102B for operational use in the air defence system, the CF105 introduces another weapons system into the North American air defence arsenal and this alone would pose another weighty problem to the potential enemy. The CF105 also provides insurance should the F102B in the USAF prove to be a failure.

(c) With manned aircraft and surface-to-air missiles in the defence system, the system possesses a diversified capability against various threats. Therefore, combined use of such a high performance versatile aircraft as the CF105 and missiles in the same system will appreciably reduce enemy ability to exploit countermeasures and deception tactics.

(d) The greater effectiveness and greater range of the CF105 results in the need for less aircraft and fewer bases. Aircraft for aircraft the F102B is less costly but, dollar for dollar, the CF105 provides significantly more defence.

Disadvantages

24. The burden of cost involved in this course of action, while high, is inherent in an air defence system which is kept abreast of the developing threat.

Risk

25. The risk involved is that the CF105 might fail. Against this there is the insurance provided by the US F102B programme. This is the course of action involving the least risks over the years ahead.

MODIFICATION NO. 1 TO COURSE "C"

26. The modification is to reduce the commitment from 40 to 28 preproduction aircraft (Refer Appendix "D"†). Although the programme of 40 preproduction aircraft as previously authorized is still the ideal means of creating economically an operational force in minimum time, it is possible to withhold until January, 1958 the order for the final lot of 12 aircraft. This is at least six months after first flight and considerable knowledge of the performance of the aeroplane will have been gained. Under the circumstances, the hold-back on the total programme will be about \$45M. Thus, we are able to postpone this costly decision until the chance of certain success in the project is more assured. Therefore, it is possible to proceed now with a commitment for 28 preproduction aircraft instead of 40 at a cost of approximately \$210M without effecting any appreciable delay in creating the operational force.

MODIFICATION NO. 2 TO COURSE "C"

27. A modification to this course of action which would effect a material saving would be to embark on the improvement of the CF100 in new production aircraft only, commencing with the 331st aircraft scheduled to be produced. The ability to embark at a later date on a retrofit programme would provide insurance against any serious slippage in the CF105 programme. The hold back in expenditure and possible saving involved would be approximately \$91.0M. This reduces the cost from \$308.5M to \$217.4M.

Advantages

28. The advantage lies in greater financial control, plus additional control over the volume of work available for AVRO's.

29. This course of action gives us the ability to make the most of the large capital investment already made in the CF100 while at the same time not committing ourselves to a costly programme. The Sparrow weapons to be used in the CF100 are to be purchased for the CF105 so that no additional cost is involved here.

[ADDENDUM 3]

*Compte-rendu du Groupe de travail
pour le Comité interministériel Ad Hoc*
*Report by Working Group
to Ad Hoc Interdepartmental Committee*

TOP SECRET

REAPPRAISAL OF THE CF105 DEVELOPMENT PROGRAMME

Appendices:

“A”—Report of the Plans Analysis and Requirements Group.†

“B”—Report of the Comparison Group (Fighter).†

“C”—Report of the Comparison Group (Missiles).†

“D”—Report of the Cost Analysis Group.†

“E”—USA and UK Aircraft Design and Development Programmes.†

“F”—Phasing of Weapons in Air Defence System with relation to the Enemy Threat.†

1. This is a statement of the courses of action which might be pursued at this time in order to meet the requirement for suitable interceptor aircraft and/or surface-to-air missiles for use during the ensuing ten to fifteen years for the protection of vital targets in Canada and the United States. This statement is based on the conclusions presented by the sub-Working Groups together with the indications which came out of the discussions held with AVRO and NAE as to the aerodynamic soundness of the CF105.

BACKGROUND

2. The Air Threat in the period under review is detailed at Appendix “A” Annex 2 (Red Tab). The situation has changed in two principal respects since writing the original operational requirement for the CF105. Firstly, the USSR has improved her position in high performance bombers. Secondly, and of greater significance, the USSR has possession of the hydrogen bomb.

Technical Assessment

3. All studies to date by the technical authorities concerned indicate that the range of variation of opinion concerning the technical soundness of design of the CF105 lies within regions which are quite normal at this stage of development for a new aircraft of such advanced design. Even the most pessimistic estimates enable the aircraft to meet the threat and show that it is still superior to the F102B.

COURSES OF ACTION

4. In the discussion of the possible courses of action, it was agreed that:

(a) It was highly desirable to develop and exploit the CF100 aircraft to the fullest possible extent, including the fitment of Sparrow II missiles. By doing this the aircraft would have some ability to cope with the Bison/Badger/Bear threat.

(b) It was absolutely necessary to introduce a surface-to-air missile of the Talos or Bomarc type into the Canadian Air Defence System as early as possible. Because of the obvious advantages of Bomarc over Talos (refer Appendix “C”, Green Tab), it was agreed that Bomarc “C” would be the weapon selected. However, Talos might have some applica-

tion as an interim weapon or for short range requirements if later developments made such a weapon necessary.

(c) A highly developed ground environment was required. Although possible for the aircraft to operate in a less sophisticated ground environment nevertheless, to meet the requirements of the surface-to-air missile, there seems no sound alternative but to make provision for the full system now.

5. Accepting these three factors as firm ingredients in any possible course of action, there appear to be three courses which could be followed. The courses differ in these respects:

(a) To confine our activities to the introduction of the improved CF100 and Bomarc.

(b) In addition to the improved CF100 and Bomarc, to produce the F102B in Canada for introduction at the earliest possible date in the Canadian Air Defence System.

(c) In addition to the improved CF100 and Bomarc, to produce the CF105 in Canada for introduction at earliest possible date in the Canadian Air Defence System.

First Course of Action

6. To improve the CF100, including the fitment of Sparrow II missiles, and to introduce the Bomarc missile into the Canadian air defence system at the earliest possible date.

Advantages

7. *Concentration of Effort.* By elimination of the need for the introduction of a family of aircraft such as the CF105, this course of action permits greater concentration on the surface-to-air missile programme both in the Service and in industry.

8. To some degree the same can be said for the programme to improve the altitude characteristics of the CF100 and to introduce the Sparrow Missile Armament.

9. *Cost.* The obvious saving of not introducing another manned interceptor.

Disadvantages

10. *Limitations of CF100.* Due to speed and altitude limitations, the CF100, even when improved, falls far short of the capabilities of the aircraft such as the CF105 and the F102B. This creates a serious gap in the defences in the early 60's, that is, until such time as Bomarc is installed and becomes operational on a broad front.

11. Any serious slippage in the Sparrow II programme or Bomarc "C" programme greatly aggravates the foregoing disadvantages.

12. We would be completely dependent on Bomarc, an operationally untried weapon, which is still in the early development stages. This, coupled with its comparative inflexibility of operation when viewed in the light of electronic countermeasures and other techniques which may evolve, highlights the great risks attached to this course of action.

Second Course of Action

13. To improve the CF100, including the fitment of Sparrow II missiles and to introduce the F102B aircraft and the Bomarc missile into the Canadian air defence system at the earliest possible date.

Advantages

14. *Time Factor.* The F102B has the earliest availability date of any manned interceptor suitable as a replacement for the CF100, it is likely to be available about 1 year earlier than the CF105.

15. *Economy*

(a) Because it is a smaller and lighter aircraft, the cost of the F102B is much less than the cost of the CF105. Nevertheless, in considering whether it is better policy to design and produce an aircraft in Canada rather than purchase the rights to produce in Canada an aircraft of foreign design, it is erroneous to assume that all the design and development costs are thereby avoided. Regardless of whether a foreign design is bought and built in Canada or an aircraft is produced from a purely Canadian design, large engineering staffs are required. Also, in building a foreign designed aircraft licensing fees of considerable amounts are involved.

(b) Since it is a single-seater aircraft an economy would be effected in aircrew and aircrew training requirements. However, the CF105 is being developed to permit the elimination of the second seat if future technical developments and operational experience so warrant.

16. *Standardization.* The use of the same aircraft (F102B) in the United States and Canada would ensure common ground handling equipment, spares, etc., and would simplify the reinforcement of Canadian bases by American squadrons if this were required.

17. *Probability of Success.* Of the only two acceptable manned interceptor developments, the CF105 and F102B, the F102B is one year nearer to completion now and has the advantage of the larger and more experienced United States development resources behind it; therefore, it could be considered that the F102B is more likely to succeed as a design, and to meet its target dates.

Disadvantages

18. The F102B is inferior to the CF105 in:

- (a) aircraft performance
- (b) flight and fire control systems
- (c) armament and weapon flexibility (Sparrow vs Falcon)
- (d) radar-ranging and tracking.

19. If there should be a serious slippage in the surface-to-air guided missile programme:

- (a) The F102B would be outdistanced by the threat sooner than the CF105;
- (b) The F102B does not have the potential for further development in performance or for use in other roles possessed by the CF105.

20. Under this course of action both Canada and the United States would be preparing for production of the same aircraft and no insurance factor is provided against the possibility that the F102B will not succeed.

21. From present knowledge there are certain tactical situations (ECM and low level attacks) in which the single-seater aircraft is at a disadvantage compared to the two-seater aircraft.

NOTE:

As the F102B would begin to come into operational use some six months after the CF100 equipped with Sparrow II becomes operational, consideration was given to the possibility of making do with CF100s without Sparrow until they could be replaced by the F102Bs. This is not acceptable because by improving the CF100 and fitting the Sparrow missile to it, we are capitalizing on our present investment in the CF100 and obtaining an aircraft with a limited but worthwhile performance against the expected threat. In addition, the operational force will be equipped with improved CF100 and Sparrow missiles much earlier than it can be fully equipped with F102Bs, and during

the time it would take to replace the present CF100s in an unimproved state by F102Bs, the improved performance of the CF100 with Sparrow will be extremely important to our air defence system.

Third Course of Action

22. To improve the CF100, including the fitment of Sparrow II missile, and to introduce the CF105 aircraft and the Bomarc missile into the Canadian air defence system at the earliest possible date.

Advantages

23. The CF105 has better performance and development potential than the F102B, and is thus in a better position to satisfactorily cope with the threats that are envisaged for the period 1960-65.

24. As the CF105 is a two-seater it had more operational flexibility than a single-seater when operating under certain tactical conditions (ECM and low level) which are known at present, and offers greater flexibility to meet the unknowns of the future.

25. The CF105 has a greater range on internal fuel than the F102B.

26. The fire control system of the CF105 is capable of providing considerably more radar range than that in the F102B, which is a highly important operational factor.

27. The CF105 has the capability of carrying a larger and more effective missile load than the F102B.

28. If there is a further slippage in the missile development programme, manned aircraft must continue to meet the threat alone for a longer period. The CF105 is in a position to do this better than the F102B.

29. With manned aircraft and surface-to-air missiles in the defence system, the system possesses a diversified capability against various threats. Therefore, combined use of aircraft and missiles in the same system will appreciably reduce enemy ability to exploit countermeasures and deception tactics.

30. Since the USAF have programmed the F102B for operational use in the air defence system, the CF105 introduces another weapons system into the North American air defence arsenal and this alone would pose another weighty problem to the potential enemy. The CF105 also provides insurance should the F102B in the USAF prove to be a failure.

Disadvantages

31. The CF105 is relatively costly to produce as compared to the F102B and will be in service later than the F102B. The development phase of the CF105 is not as far advanced as the F102B and, in consequence, it may be considered that it has more uncertainties.

32. The burden of cost will be increased if both supersonic manned aircraft and surface-to-air missile programs are proceeded with during the same period.

33. The introduction of both weapons at about the same time will aggravate manpower, training and logistic problems.

NOTE:

(a) The disadvantages in Paras. 32 and 33 are common for both the CF105 and F102B, although probably to a lesser extent for the F102B.

(b) It is possible that the burdens of cost and manpower mentioned in Paras. 32 and 33 will not, in fact, present serious difficulties. The numbers of aircraft programmed for each squadron are subject to alteration in the light of the success, or otherwise, of the long-range, surface-to-air missiles which are counted on to augment the manned inter-

ceptor force. Experience at the time should, therefore, permit suitable and appropriate adjustments to both programmes.

Conclusion

34. The Working Group has considered the many arguments involved in this vast problem and it is the opinion of the Group that the third course of action, which includes the continuation of the CF105 programme, is the most logical method of developing the Canadian Air Defence System.

321.

PCO

*Extrait du procès-verbal de la réunion
du Comité du Cabinet sur la défense*

Extract from Minutes of Meeting of Cabinet Defence Committee

TOP SECRET

[Ottawa], November 17, 1955

Present:

The Prime Minister, (Mr. St-Laurent), in the Chair,
The Minister of Defence Production (Mr. Howe),
The Minister of National Defence (Mr. Campney),
The Secretary of State for External Affairs (Mr. Pearson),
The Minister of Justice (Mr. Garson),
The Minister of Finance (Mr. Harris).

Also Present:

The Minister of Labour, (Mr. Gregg),
The Minister of Northern Affairs and National Resources, (Mr. Lesage).
The Secretary (Mr. Martin),
The Military Secretary (Captain Lucas).
The Chairman, Chiefs of Staff (General Foulkes),
The Chief of the Air Staff (Air Marshal Slemmon),
The Vice-Chief of the General Staff (Major-General Sparling),
The Vice-Chief of the Naval Staff (Rear Admiral Lay),
The Chairman, Defence Research Board, (Dr. Solandt),
The Vice-Chairman, Defence Research Board, (Mr. Zimmerman).
The Secretary to the Cabinet (Mr. Bryce),
The Under-Secretary of State for External Affairs (Mr. Léger)
The Deputy Minister of National Defence (Mr. Miller)
The Deputy Minister of Defence Production (Mr. Golden)
The Assistant Deputy Minister of Finance (Mr. Deutsch).

I. RE-APPRAISAL OF THE CF105 DEVELOPMENT PROGRAMME

1. *The Minister of National Defence*, referring to the discussion at the meeting of November 8th, suggested that the Committee might now wish to discuss the paper on the re-appraisal of the CF105 development programme which had been circulated.

2. *Mr. Campney* recalled that at its 106th meeting on September 27th, the Committee had instructed the R.C.A.F., together with representatives from the National Aeronautical Establishment, the Defence Research Board and the Departments of Defence Production and Finance to re-appraise the programme for the 40 aircraft and the 14 PS13 engines. All studies indicated that the variation of opinion on the technical soundness of the design of the CF105 lay within limits which were quite normal at this stage of development for a new aircraft. They showed that the CF105 would meet the main bomber threat during its

life and also that it was superior in performance to comparable aircraft being developed by the U.S. and the U.K.

The development of the CF105 was part of a problem much larger than merely the production of an aeroplane, and involved many factors. The most important were:

- (a) the need to extend ground-to-air radar control coverage and the introduction of a system of automatic data processing to cope with high speed fighters;
- (b) the need to develop further the potential of the CF100; and
- (c) the need to introduce long range surface-to-air guided missiles (BOMARC) as soon as these were available.

Three alternative courses of action appeared to have emerged from the re-appraisal. Course A would involve abandoning the CF105, improving the altitude capability of the CF100 and equipping it with air-to-air missiles and placing dependence on getting into effective operation a long range surface-to-air guided missile system (BOMARC). Course B involved the improvement of the CF100, dropping the CF105 and replacing it with the U.S.A.F. F102B as an interim measure until SAMS (BOMARC) could be put into operation. Course C included improving the CF100, proceeding with the CF105 and incorporating BOMARC in the air defence system when its development made this possible. The Committee felt that Course A involved an unacceptably high risk, that Course B was unacceptable because the F102B was not a sufficiently long step forward and because it would mean the abandonment of the advantages already gained in the CF105 aircraft engine project. Course C held the greatest attraction because it would narrow the gap in the combined U.S.-Canadian air defence system during the period in which guided missiles were being introduced. It would also make the best use of the investment in the CF100 and the CF105.

The Chiefs of Staff concurred in the conclusion that Course C was the most attractive. However, they felt that further consideration should be given to the cost of each of the recommendations contained in it and the impact of their acceptance on the defence budget over the next five years. Other important projects which might be a charge on the budget during the CF105 development period included:

- (a) the improvement of the CF100 and the introduction of the SPARROW;
- (b) the system of automatic data processing and additional radar;
- (c) the additional regular squadrons of all-weather fighters required to replace the auxiliary squadrons which it was agreed were now unsuitable for the immediate air defence role;
- (d) the introduction of guided missiles;
- (e) improvements and additions to the air defence base complex to provide 15 bases.

Estimates of costs of the various alternatives proposed and the advantages and disadvantages of each course had been set out. Regardless of what decision was made on the future type of aircraft required, improved air-to-air radar control coverage and the introduction of automatic data processing would have to be considered. These particular projects were, however, of a joint nature to serve both the U.S.A.F. and the R.C.A.F. and some scheme of joint financing might be arranged.

An explanatory memorandum had been circulated.

(Minister's memorandum, November 4, 1955 — Document D22-55).

3. *During the discussion* the following points emerged:

- (a) North America had to have an appropriate defensive system as well as an offensive capability. Was Russia, as the only possible aggressor, concentrating solely on offensive

weapons, or was she developing defensive plans as well? In reply it was said that while the Russians were not developing lines such as the DEW and Mid-Canada systems, they were developing a radar chain similar in some ways to Pinetree. They had a good fighter in the MIG which was being improved step by step. There was not too much information on Soviet all-weather aircraft. It appeared that defences were being developed to deal with attacks from the north, the west and the south. Surface-to-air missile sites were being installed around the larger cities. In general, it could be said that there were indications that the Soviets were pursuing the same variety of projects as the Western world, and, as far as was known, they were distributing their effort. One bright spot on the horizon was evidence to indicate that the U.S.S.R. was not getting ahead as well as was thought on thermonuclear weapons. However, they did have a large number of atomic bombs.

(b) The estimate of \$333 million for the data processing system was a very rough one. A different estimate had been prepared on the assumption that the U.S.A.F. might finance the additional 26 heavy radars and 123 gap fillers in Canada. If these were to be manned by Canadians, 14,300 men would be needed for the heavy radars and about 400 for the gap fillers.

(c) The SPARROW was in its development stage and if plans for improving the CF100 were approved, this missile would be available to equip it sometime in 1960. If Course A were followed, it was said that the U.S. might press Canada to allow more of their forces to be stationed here. On the other hand, this would hardly be reasonable in view of the fact that the U.S. authorities were relying on a weapon which was said to be inferior to the CF105 and also appeared to be unwilling thus far to take advantage of Canadian development on this aircraft and its engine.

(d) One of the main reasons for adopting the U.S. F102B aircraft as against the CF105 was that it was much less costly. The U.S. team which had recently visited AVRO had now reported to the U.S. Secretary for Air who in turn had written to the Minister of National Defence.⁴¹ While Mr. Quarles stated in his letter that the F102B was preferred in the U.S., nevertheless he recommended that Canada proceed with the CF105. No mention was made of the possibility of the U.S. buying this aircraft. Such purchases would probably be politically impossible.

(e) An important reason which had induced the Air Force to recommend that the CF105 be proceeded with was that the F102B was a single seater aircraft and, generally speaking, much less effective for that reason. Furthermore, the F102B could only carry FALCONS, whereas the CF105 could carry either SPARROWS, FALCONS or the long range air-to-air missile for mass raids. Another significant advantage of the CF105 over the F102B was that it could operate more effectively in a sophisticated ground environment if the latter was impaired by electronic counter measures.

(f) Because of its size, the CF105 could carry a bigger radar and therefore pick up attacking aircraft at greater distances than the F102B. It was more efficient tactically and better able to deal with intruders. It had a good capability at low altitudes whereas the F102B did not. On the whole it was better able to deal with unexpected developments than the single seater machine.

(g) The CF105 would fill a need in a period when the U.S. would not have a suitable aircraft available for the threat existing at that particular time. If the air defence programme

⁴¹ Voir/See Palmiro Campagna, *Storms of Controversy: The Secret Arrow Files Revealed*, Toronto: Stoddart, 1992, p. 206.

of North America were viewed as a whole, Canadian squadrons equipped with CF105's would provide a useful and desirable element in that system.

(h) There was a varying range of opinion on the possible performance of the CF105. Some felt that, aero-dynamically, it was no better than the F102B but there were other important features of the aircraft which should be kept in mind. In Canada the most severe criticism of the design of the aircraft came from the source which had felt the CF100 would be unsuccessful. This latter aircraft had come quite close to the original specifications drawn up for it.

(i) It was said that because of the probable greater effectiveness of the CF105, not as many bases and radars would be required in the ground environment as would be the case if the F102B were adopted. It was true that the former cost more, but, dollar for dollar, it probably provided a more effective defence and involved a lesser risk. Its adoption would mean it would be simpler to phase into the air defence system the BOMARC C when it became available.

(j) If Course C were approved, a very rough projection of Air Force expenditures involving the cost of this alternative plus the remainder of the R.C.A.F. programme, less the installation of heavy radars which it was assumed might be undertaken by the U.S., indicated that the R.C.A.F. estimates would gradually rise to somewhat over \$1 billion by 1961. It might be possible to make some savings by, for example, not refitting so many CF100's as was planned, but this would mean fewer squadrons with the most up-to-date machines at a time when they might be needed. While it might be desirable to go ahead with the SPARROW development, it might also only be necessary at this stage to complete the engineering for the refitting of the CF100's, and then decide later whether all aircraft should be modified.

(k) The most useful defence at the moment was the existence of the deterrent provided by SAC. There was a fear, however, that a surprise attack might be carried out before SAC aircraft could become effective. To this it was said that protection was supplied by the early warning system and not by fighter aircraft. On the other hand, it was pointed out that, at the supersonic speeds of attacking aircraft, SAC could only get 30%—40% of its aircraft out of harm's way. Further, if SAC did get all its aircraft off the ground, they had to have bases to which they could return.

(l) If it were decided to proceed with the programme which had been outlined, some cuts in other defence expenditures would have to be made. What were these? No clear answer could be given to this question, but a number of assumptions had been made about the future of other programmes. The Army and Navy estimates would be of the same order of magnitude as in the present year. Mutual aid might be reduced by, say, \$70 million over the next two years. Some construction projects might be eliminated.

(m) The Chiefs of Staff recognized that it would not be possible to find the money to carry out the proposal under discussion and the other defence programmes as well. They felt they would have to come before the Committee subsequently with a list of the major defence elements and their cost with a view to the establishment of priorities. Items which should be considered in this connection were the brigade in Europe, the Air Division, and the naval aviation programme, for example. These matters were of course of political significance as well as of military interest. The effects of a withdrawal of the brigade or the Air Division from Europe on our NATO partners would have to be taken into consideration.

(n) The air defence of North America required a more integrated command structure. There was a certain measure of cooperation now but it was not sufficient to ensure protec-

tion of Canadian interests. Operational integration was perhaps satisfactory but the planning was not. It was said that the planning of where specific installations should be situated was carefully thought out. However, because of the lack of more formal machinery, the U.S. might press on faster than Canada and there was a danger of Canada being considered by some in the U.S. as a wasteland over which battles might be fought.

(o) The question was asked whether the automatic data processing system was part of an integrated system or whether it was for use by Canada alone. In reply, it was pointed out that the U.S. plans envisaged such machinery initially covering the North American heartland but to gradually spreading out to other areas. SAGE was not designed for use on borders but to cover sectors.

At this point, the Chiefs of Staff and other officials withdrew from the meeting.

4. *During the discussion* amongst Ministers which ensued, the following points emerged:

(a) No air defence system could be perfect. Nevertheless we had to keep the Russians aware of the fact that if they attacked they would have a serious obstacle to overcome. The Canadian public expected the government to accept a reasonable share of the burden involved in creating and maintaining this hurdle. If U.S. authorities felt we did not do all that we reasonably could in this effort, there would be greater pressure from them to take over more of the burden, which would mean stationing still more U.S. troops in Canada as well as the installation of more equipment in this country. On the other hand, support for NATO in Europe seemed to be sagging and we also had to do our share to bolster the alliance, which involved men, money and equipment.

The major worry of the alternative Course C, favoured by those studying the question, was whether the CF105 would be a successful aircraft. If its development was allowed to proceed and it then failed, over \$250 million would have been spent for naught. It did not take much imagination to envisage what the public's reaction would then be.

(b) The proposal for the CF105 and the related aspects of the air defence problem necessitated a thorough re-examination of every phase of our defence activities. It might be possible to find several things which could be cut. It certainly was difficult to conceive of increased defence expenditures but it was equally hard to see how these could be reduced. There would in fact be a struggle to maintain them at their present level in the face of any cutbacks in the U.S. and the U.K.

(c) It was impossible to avoid an increase in defence spending if the CF105 programme were approved. Very little was known about supersonic fighters, the development of which involved tremendous problems. It would be preferable if larger countries with greater resources undertook such programmes. Rather than going ahead with the CF105, the CF100 could be improved and fitted with the SPARROW when it became available. Such a programme could probably be carried out within the limits of the present budget.

(d) Soviet leaders were well aware that if they launched an attack their own nation would soon be destroyed. The deterrent was retaliation and the CF105 did not add much to that. Furthermore, even if the CF105 was in operation, a few attacking aircraft would likely get through our defences and that would be sufficient to inflict tremendous damage to North America. It could be said, on the other hand, that the existence of an efficient supersonic fighter would add to the deterrent. It was difficult to contemplate the Russians starting a war unless they were convinced they would be successful. A good fighter aircraft, in addition to other armament, would help convince Soviet leaders that such a war would not be easy.

(e) The Russians might start a war if they really felt they were in danger. It was essential to keep our defences strong but not to be unnecessarily provocative. Almost of equal

importance to a suitable air defence system in North America was NATO. It worked in unity and was a force with which the Russians had to reckon. The proposals which had been put forward envisaged withdrawal from Europe and a weakening of the alliance. Nothing would suit the Russians better. This seemed a greater risk to take than a gap in our air defence system between the CF100 and surface-to-air guided missiles.

(f) If the U.S. authorities were faced with a decision on our part not to proceed with the programme, they might come in and help, either by taking over the whole programme or assuming a substantial share of it. Such a course, however, might ultimately involve requests for stationing U.S. squadrons, armed with their aircraft, in Canada.

(g) The morale of the Air Force would be materially affected if the Air Defence programme petered out and there was nothing in sight beyond the aircraft currently in use. There would also be serious political consequences which should be borne in mind in abandoning the programme.

(h) U.S. authorities regarded the CF105 programme as a worthwhile one and might well be interested in acquiring some of these aircraft if political pressures were not so great. It would be worth approaching the Americans to see if they would be interested in taking over the programme as they had previously done with the "saucer" development.

5. *The Ministers* deferred consideration of the proposal to proceed with the CF105 development programme pending enquiries to be made by the Minister of National Defence of the United States Secretary for Air as to the possibility of the United States sharing in or taking over the whole of the programme.

...

322.

PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET

[Ottawa], December 7, 1955

...

NATIONAL DEFENCE; POLICY ON AIRCRAFT DEVELOPMENT; CF-105
PROGRAMME; IMPROVEMENT OF CF-100;
PROCUREMENT OF "SPARROW" MISSILE

24. *The Minister of National Defence*, referring to the programmes for CF-105 aircraft and PS-13 engines authorized at the meeting of March 8th, 1955, said the company undertaking the work — A.V. Roe & Company — had submitted, in September, a revised estimate of costs which brought the total expenditures on the 40 planes and 14 engines to about \$300 million. When the Cabinet Defence Committee was informed of this situation, it had decided that a thorough re-appraisal of the whole programme should be carried out. As a result of this study various courses were suggested, but the one which seemed to the officials dealing with the matter as most sound was to improve the existing CF-100, to proceed with the CF-105 programme, and to plan to incorporate into the air defence system surface-to-air guided missiles when they were available.

The Cabinet Defence Committee had considered the re-appraisal reports and the possible courses of action. The committee had expressed concern over the extent of the programme recommended, particularly at the heavy expenditure to be incurred before it had actually been demonstrated that the new plane was a success. In view of this, he had

requested that a modified programme for the CF-105 be prepared which would reduce the financial commitments made before the plane could be tested, while leaving freedom for future action and decision.

By delaying for one year the date at which the CF-105 would enter squadron service, only 11 aircraft need be ordered before the first machines had flown, as against the 28 originally proposed. Including the engine programme this would cost \$170.4 million up to April 1st, 1958, less the \$35.5 million already spent. In other words, new authority would be required to spend \$134.9 million. If the programme were cancelled now, there would be cancellation charges of \$17.7 million to be added to the \$35.5 million already spent. Therefore, in authorizing a continuance of the programme on this basis, not more than \$117.2 million extra would be risked over the next three years in proving the soundness of the aircraft.

There would be a serious gap in the Canadian air defence system before the CF-105 would come into squadron use but after the CF-100 became unable to deal with the Russian bomber threat to be expected at that time. It was possible to modify the CF-100 to give it greater altitude, to equip it with "Sparrow" guided missiles, and thus give it a good measure of effectiveness until the CF-105 was available.

It was proposed to provide four squadrons of this improved all-weather interceptor by introducing these modifications in the aircraft coming off the production line from September 1957 onwards. These modifications could be made in aircraft already produced if this were considered desirable later. The cost, including the "Sparrow" missile, would amount to \$77.4 million spread from the current fiscal year to 1960. One advantage of equipping the CF-100 with the "Sparrow" was that it was planned to arm the CF-105 with the same missile.

The Minister recommended approval of the reduced CF-105 programme, the modifications to the CF-100 and the procurement of the "Sparrow" missile.

Explanatory memoranda were circulated.

(Minister's memoranda, Dec. 5† and 6†; Cab Docs. 241-† and 242-55†).

25. *Mr. Campney* added that the Cabinet Defence Committee had thought it would be desirable for him to discuss with the U.S. Secretary for Air the possibility of the United States assuming the whole, or part, of the CF-105 programme since they had no comparable plane as advanced in development as this one. *Mr. Quarles* and his advisers had a high opinion of the aircraft but felt it would be impossible for the U.S. government to participate in developing it, or to commit themselves to buy it, because of the strong influence of the U.S. aircraft industry in Washington. Only the day before he had spoken again to *Mr. Quarles* who had expressed some hope of being able to help, but this could not be relied on as a measure of real and tangible aid for the original plan.

The Minister felt the government could not allow the air defence programme to peter out once the CF-100 had outlived its usefulness. If no plans were made for a successor, there would be a gap in our defences and the morale of the Air Force would be seriously affected. On the other hand, no one knew yet whether the CF-105 would be successful. Nevertheless, this uncertainty did not relieve the government of the responsibility of preparing as effective a defence as possible. If the programme were abandoned now, the government would be faced with explaining why it had spent over \$50 million on the project and then dropped it. By allowing this limited development to proceed, it could be said that, regardless of the results, at least a serious attempt had been made to plan for the years ahead.

The deterrent to a Russian attack consisted of two elements — the attacking power of the U.S. Strategic Air Command and a reasonable power to inflict losses on enemy aircraft attacking North America. At the moment, the CF-105 appeared to hold out the most promise as a defence against Russian bombers during the period for which it was being planned. If it were not developed in four or five years time, Canada would have to look to other countries for an all-weather fighter.

26. *In the course of discussion* the following points emerged:

(a) The U.S. was developing a single seater supersonic fighter which would come into operation two years in advance of the CF-105 but, in many respects, it was nowhere near as suitable an aircraft. The U.S. and, to a lesser extent the U.K., were showing considerable interest in the CF-105 but not to the point of participating in its development.

(b) The cost for both the reduced programmes for the CF-105 and the modified CF-100 could be absorbed over the next few years in a defence budget of the present size.

(c) If conditions in the world did not change in the foreseeable future, it could be assumed that the R.C.A.F. would be re-equipped with the CF-105, provided the plane was a success. In effect, the added expenditures of \$117 million would prove the aircraft or, at worst, show a serious attempt had been made to provide the best possible defence for the country.

(d) Abandoning the programme at this stage would be tantamount to an admission that Canada was not capable of providing its share of the common defence or unwilling to do so. This would have a serious effect on N.A.T.O. allies as well as being embarrassing domestically.

(e) The increased cost of aircraft was frightening. The F-86 now cost about \$400,000, the CF-100 just under \$1 million, and the CF-105 was expected to cost between \$2 and \$3 million. The scheme proposed at least reduced possible losses by a substantial amount and would postpone the time at which it might have to be admitted that the cost of adequate air defence was more than Canada could bear.

(f) It seemed incredible, in the face of such apparent interest and approval in U.S. official circles, that the U.S. could not find a way of taking some small part in the project. Every effort would continue to be made to exploit U.S. interest in the CF-105 programme but it seemed unlikely that much would be done, particularly just before a presidential election.

(g) Defence expenditures would probably be \$1.75 billion again in 1956-57 and about \$1.8 billion for each of the two years following. In other words there would only have been one cut in four years. This might lead to some criticism in the face of cuts in the U.K. and U.S. It was pointed out, on the other hand, that Mr. Quarles now saw no prospect of a cut in the U.S. defence budget in the coming year.

(h) Departmental estimates were now being considered. Statutory increases of \$90 million together with increases for the Colombo Plan, for development in the north, and for vocational training, amounting to about \$28 million, seemed inescapable. This did not include a possible further \$20 million for the Canadian Broadcasting Corporation. Altogether, it would mean that the estimates would be as much as \$120 to \$140 million greater in 1956-57 than in the current fiscal year. To say that the Canadian defence budget for each of the next three years would be \$1.8 billion was looking forward to a bleak future. However, a real effort had been made to reduce the cost of developing the CF-105 and it was very difficult not to go ahead with the programme.

(i) As for the "Sparrow" missile, it would be sensible to proceed with this since the efforts now being devoted to the "Velvet Glove" were not likely to be successful. The "Sparrow" would be made and stockpiled in Canada. Dummies would be used for training.

27. *The Cabinet* noted the report of the Minister of National Defence on the development of the CF-105, the improvement of the CF-100, and the procurement of the "Sparrow" missile and agreed,

(a) that the CF-105 programme approved in March 1955, be revised to provide for the procurement of only 11 aircraft at a total cost of \$170.4 million for both airframe and engines, to be spread over three fiscal years;

(b) that 137 CF-100's be modified to give them greater altitude and provide a missile capability, beginning with the 581st aircraft off the production line, at a cost of \$12.4 million spread over the four fiscal years; and,

(c) that procurement of the "Sparrow" missile to support four squadrons of CF-100's be approved, at a cost of \$65 million to be spread over five fiscal years.

...

323.

DEA/50245-40

*Note du sous-secrétaire d'État aux Affaires extérieures
pour le secrétaire d'État aux Affaires extérieures*

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

SECRET

Ottawa, December 21, 1955

CANADIAN DEFENCE PROBLEMS

In its resolution of December 15 on NATO defence planning, the North Atlantic Council urged member governments to undertake, as appropriate, "a comprehensive review of the future pattern of their forces ...".

2. The most useful point of departure for such a review in Canada is the anticipated programme for North American air defence. It would appear from recent National Defence studies that expenditures of the order of \$2 billion over the next six or seven years will be required for air defence in Canada. Now that a decision has been taken on the CF-105, it is necessary to consider what should be done about some of the other urgent questions, including the following which are of direct concern to External Affairs:

(a) what priorities are to be assigned to air defence as against other Canadian defence commitments?

(b) should Canada take the initiative in seeking to have the United States share the cost of air defence installations in Canada, and if so, on what basis?

(c) are planning and command arrangements for North American air defence adequate to protect Canadian interests, and if not, should Canada take any initiative?

3. There are two methods of approach, each with its advantages and dangers. The first is to deal with them on an *ad hoc* basis as they arise, with the existing Canadian defence programme as the starting point, and leaving it to the United States to propose any air defence installations it may wish to establish in Canada. The effect of this would be threefold:

(a) it would tend to apply the pressure of financial limitations to continental air defence rather than to the defence programme as a whole;

(b) it would tend to cause both the RCAF and USAF to develop their air defence programmes to meet limited national objectives rather than to provide an integrated system;

(c) it would encourage separate United States and Canadian defence installations in Canada, with large projects a United States rather than a joint responsibility.

4. The alternative approach is based on the assumption that a North American air defence system along the general lines indicated by the Department of National Defence in its study on the CF-105 is necessary and indeed unavoidable, and that it is therefore essential for Canada to take positive action to ensure that the scale and timing of Canadian participation is related to our other commitments, and that the system, to the greatest extent possible, meets Canadian requirements. In order to accomplish these purposes the following steps would seem necessary:

(a) review our defence commitments other than for air defence to determine whether the military and political benefits they provide are commensurate with their costs;

(b) study, and where necessary prepare proposed modifications to, the North American air defence programme to satisfy Canadian interests (e.g. positioning of surface-to-air missiles, stationing of U.S. forces in Canada, command arrangements, etc.);

(c) review the Canadian defence programme, including any revisions under (a) and (b) above, in the light of the anticipated financial and manpower resources available, in order to determine the extent to which Canada will be able to participate in the air defence programme;

(d) in the light of (a), (b) and (c) above, seek agreement with the United States Government on the pattern of development of the air defence system over the next five or ten years and on the principles of cost-sharing.

5. The considerations involved in the study described in (a), (b) and (c) above involve political and economic factors as well as purely military ones, and it has been our hope that an integrated analysis of the type required would evolve from the study of National Security Policy, which, as you know, the military authorities agreed some time ago should be undertaken by an interdepartmental committee under the chairmanship of Mr. Bryce. If you think well of the analysis set out in this memorandum, perhaps, as the next step, I might show a copy of it to Mr. Bryce⁴² with a view to having it discussed in the interdepartmental committee and subsequently possibly submitting something along these lines to Cabinet Defence Committee for the purpose of obtaining ministerial approval for a comprehensive review.

J. L[ÉGER]

⁴² Note marginale :/Marginal note:
Please do this L.B. P[earson]

SECTION C

LE RÉSEAU D'ALERTE AVANCÉ
DISTANT EARLY WARNING SYSTEM

324.

PCO

*Note du ministre de la Défense nationale
pour le Comité du Cabinet sur la défense*⁴³

*Memorandum from Minister of National Defence
to Cabinet Defence Committee*⁴³

DOCUMENT NO. D-1-55

[Ottawa], January 20, 1955

SECRET

CANADIAN PARTICIPATION IN THE DISTANT EARLY WARNING LINE

The Cabinet Defence Committee, at its meeting of November 12, recommended, in a report subsequently approved by the Cabinet:

(a) that the government agree to the construction of the proposed distant early warning line as one element of an overall continental defence warning system, the establishment of which is being undertaken as a joint Canada-United States project;

(b) that at the same time the United States government be informed of Canada's intention to participate in the project, the nature and extent of such participation to be more precisely determined in the near future.

The DEW project may be considered in its two main phases:

(a) construction and installation;

(b) operation and maintenance.⁴⁴

In respect of the first phase, namely, construction and installation, the joint press release of November 19, 1954, stated that Canada had undertaken responsibility for the construction of the mid-Canada line and that responsibility for construction and installation in respect of the distant early warning line would be vested in the United States, although both Canada and the United States would participate in the project.⁴⁵ It has therefore been indicated that the area of Canadian responsibility in respect of the DEW line would not extend to construction and installation, although Canadian Government agencies will be, from time to time, giving what assistance they are able.

In view of the fact that Canadian governmental resources will be severely taxed to achieve the mid-Canada line by the appointed date, any further effective participation by the Canadian Government in the work of construction and installation which would require supervision and inspection would probably prejudice the effort on the mid-Canada line.

Considering the second phase, it appears that the continuing aspects of the project are more important to Canada than the transient operations of a crash nature and that it would be desirable to have the RCAF take as substantial a share as practicable in the operation and manning of the line. It also appeared desirable to have as much as possible of the

⁴³ Pearson a approuvé l'ébauche de cette note./A draft of this memorandum was approved by Pearson.

⁴⁴ Voir/See Volume 20, Document 482.

⁴⁵ Voir Canada, Chambre des Communes, *Débats*, 1955, volume 2, pp. 1496-1497.

See Canada, House of Commons, *Debates*, 1955, Volume 2, p. 1419.

continuing logistic support performed by Canadian agencies so that traffic in the arctic should be, as much as possible, Canadian. This would be an effective way of exercising our sovereignty in a continuing manner. To achieve this, it might be necessary to provide special arrangements for shipping which might take some time to achieve. At the present time, however, not enough is known about the line nor will likely be known for some time, to permit specific recommendations to be made. It would be desirable, therefore, to initiate studies immediately in respect of manning and of transportation and resupply in the continuing phase in order to ascertain the possible requirements and the possibilities and consequences of Canadian participation in them.

If a substantial contribution to the operation and maintenance of the line were to be made once it had been completed and was in operation, it would not, in my view, be necessary to participate in the construction and installation phase, other than to ensure that Canadian interests were protected in the ways outlined in the proposed agreement.

I accordingly recommend that:

(a) Canada should not participate in the first phase other than to assist the United States in organizing and using Canadian resources, and to help by making available the various facilities of the Armed Forces and other agencies of the Canadian Government where practicable;

(b) studies be made looking to effective Canadian participation in the operation and maintenance of the line including logistic support following its completion;

(c) the United States be informed that Canadian participation during the construction and installation phase of the project will be limited as in (a) above, but that Canada intends to participate effectively in the operation and maintenance phase, the character of such participation to be determined on the basis of studies to be carried out during the construction phase.⁴⁶

[RALPH CAMPNEY]

⁴⁶ Approuvées le 24 janvier 1955 par le Comité du Cabinet sur la défense. Le Comité a ajouté à la recommandation (b) une phrase stipulant que des études seraient également faites « covering the establishment of suitable liaison arrangements during its [le réseau DEW] construction. » Cette décision a été approuvée par le Cabinet plénier le 26 janvier 1955.

Approved by the Cabinet Defence Committee on January 24, 1955. The Committee added to recommendation (b) the stipulation that studies would also be made "covering the establishment of suitable liaison arrangements during its [the DEW line's] construction." This decision was endorsed by the full Cabinet on January 26, 1955.

325.

DEA/50210-C-40

*Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis*

*Secretary of State for External Affairs
to Ambassador in United States*

TELEGRAM EX-642

Ottawa, April 6, 1955

SECRET

DEW LINE AGREEMENT

As you are no doubt aware, the only clause remaining to be settled in the DEW Line Agreement is 13(g), which deals with the restoration of sites. Thompson and Mayer had a discussion April 1 with MacKay and Robertson, the Deputy Minister of Northern Affairs. Clearly, the U.S. authorities would like to have us omit completely any suggestion that the last user of a site should be obligated to restore the site to a reasonable condition. If Canada does insist on such a requirement (which we do) the United States would wish that it be made the subject of a collateral exchange of notes which would not be made public, so as to avoid any possible effect on their agreements with other countries.

2. In the course of the discussion, the following language was evolved and it was agreed that Thompson would try it on the State Department:

“If in the opinion of the Department of Northern Affairs and National Resources the condition of buildings, equipment or other material which are no longer to be used for the project may have an injurious effect upon the Eskimos, the two governments will consult with a view to working out mutually satisfactory arrangements for razing any such buildings, removing or otherwise disposing of any such equipment, and restoring the site to a reasonable condition, bearing in mind the authorized uses to which the site has been put. In working out mutually satisfactory arrangements it is assumed that the last user of such buildings, equipment and other materials will, subject to the availability of funds, accept the responsibility for any razing and removal that is found necessary except where there are circumstances which in the opinion of the last user warrant requesting the other country to assume this responsibility in whole or in part. Such a request on the part of the last user would be negotiated through the consultation process called for above.”

It remains to be seen whether the State Department will be successful in selling this wording to the Pentagon.

326.

DEA/50210-C-40

*Note du sous-secrétaire d'État aux Affaires extérieures
pour le secrétaire d'État aux Affaires extérieures*

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

SECRET

[Ottawa], April 22, 1955

AGREEMENT BETWEEN CANADA AND THE UNITED STATES
CONCERNING THE DISTANT EARLY WARNING SYSTEM

On November 18, 1954, Cabinet approved a recommendation made by Cabinet Defence Committee on November 12, 1954, that an agreement be concluded with the United States Government which would enable that government to proceed with the construction of equipment of the distant early warning element of the joint continental defence warning system, in accordance with terms and conditions along the lines submitted.

2. Attached is the draft agreement negotiated with officials of the United States Department of State in accordance with the decision of Cabinet.⁴⁷ It was prepared in consultation with the Canadian Government agencies concerned in the matter. In addition to the main agreement, which it is anticipated will be made public shortly after coming into effect, there is also a supplementary exchange of notes which it is intended should remain classified CONFIDENTIAL.⁴⁸ The supplementary exchange of notes deals first with the question of restoration of sites after abandonment; the United States does not wish this clause made public because of the possible effect it might have on United States' agreements with other countries. Secondly, it makes reference to an administrative arrangement reached in the Permanent Joint Board on Defence concerning the use of United States military aircraft for air transport tasks within Canada; the Canadian Departments concerned do not wish to make public the existence of this arrangement.

3. The Canadian Departments concerned have all concurred in the declassification of the main agreement but the State Department has not yet obtained the concurrence of all the United States authorities, although it is hopeful that there will be no objection. We have emphasized to the United States Embassy that the Canadian Government will wish to make the agreement public within a reasonable period after its completion.

4. Since the terms and conditions of the agreement do not differ except in detail from those submitted to Cabinet Defence Committee last November,⁴⁹ and because it is desirable that the agreement be concluded and made public as soon as possible, I have suggested to the Deputy Ministers of the other Departments concerned that the agreement should not be referred again to Cabinet Defence Committee or Cabinet and that, provided the Ministers of the Departments principally concerned with the matter concur, the Canadian Ambassador in Washington should be instructed to enter into the exchange of notes imme-

⁴⁷ Pour la version finale de l'accord et le libellé des conditions, voir Canada, *Recueil des traités*, 1955, N° 8.

For the final version of the agreement and the statement of conditions, see Canada, *Treaty Series*, 1955, No. 8.

⁴⁸ La note supplémentaire portait le numéro 307 et a été remise au département d'État le 5 mai 1955. Les États-Unis ont répondu le même jour. Cette correspondance est dans le dossier MAE/50210-C-40.

The supplementary note was numbered 307 and delivered to the Department of State on May 5, 1955. The United States replied the same day. This correspondence is on DEA/50210-C-40.

⁴⁹ Voir/See Volume 20, Document 483.

diately. I informed the other Deputy Ministers that I was consulting you to see if you approved this course of action and at the same time asked them to see if their Ministers concur. I recommend that you concur in the completion of this agreement.⁵⁰

[5.] A further reason for adopting that procedure is that it would be impossible, I think, to have a meeting of the Defence Committee of the Cabinet before your return from the NATO Meeting.⁵¹

J. L[ÉGER]

[PIÈCE JOINTE 1/ENCLOSURE 1]

*Projet de note supplémentaire
de l'ambassadeur aux États-Unis
au secrétaire d'État des États-Unis*

*Draft Supplementary Note from Ambassador in United States
to Secretary of State of United States*

ESTABLISHMENT OF THE DISTANT EARLY WARNING SYSTEM

Sir,

I have the honour to refer to my Note No. ____, of ____, 1955, and your Note No. ____, of ____, 1955, in reply, constituting an agreement for the establishment of the Distant Early Warning System. In accordance with paragraph 21 of the Annex to my Note, which authorizes the making of supplementary arrangements and administrative agreements for the purpose of carrying out the intent of the agreement, I propose that this Note and your reply should constitute an agreement effective from the date of your reply, with respect to the following matters:

(a) *Concerning paragraph 13 of the Annex to my Note No. ____, of ____, 1955:*

If in the opinion of the Department of Northern Affairs and National Resources the condition of buildings, equipment or other material which are no longer to be used for the project may have an injurious effect upon the Eskimos, the two governments will consult with a view to working out mutually satisfactory arrangements for razing any such buildings, removing or otherwise disposing of any such equipment, and restoring the site to a reasonable condition, bearing in mind the authorized uses to which the site has been put. In working out mutually satisfactory arrangements it is assumed that the last user of such buildings, equipment and other materials will, subject to the availability of funds, accept the responsibility for any razing and removal that is found necessary except where there are circumstances which in the opinion of the last user warrant requesting the other country to assume this responsibility in whole or in part. Such a request on the part of the last user would be negotiated through the consultation process called for above.

(b) *Concerning paragraph 17 of the Annex to my Note No. ____, of ____, 1955:*

The use of military aircraft by the United States in Canada in connection with the construction and operation of the DEW System in Canada shall be in accordance with the provisions of the Joint United States-Canadian understanding entitled "Procedures Governing

⁵⁰ Note marginale :/Marginal note:
OK L.B. P[earson]

⁵¹ Note marginale :/Marginal Note:

Apr[il] 25 — Mr MacKay said Minister doesn't like word "limited" in 2nd para[graph] of first Canadian note. He wants it to read "will consist of giving" M. W[ershof]

Operations of United States Military Aircraft in Canadian Territory on Point-to-Point Transport Tasks", attached as Appendix "A" to the Journal of the January, 1954, meeting of the Permanent Joint Board on Defence.

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

[PIÈCE JOINTE 2/ENCLOSURE 2]

*Projet de note du secrétaire d'État des États-Unis
à l'ambassadeur aux États-Unis*

*Draft Note from Secretary of State of United States
to Ambassador in United States*

CONFIDENTIAL

ESTABLISHMENT OF THE DISTANT EARLY WARNING SYSTEM

Sir,

I have the honour to acknowledge your Note No. ____ of ____, 1955, which refers to the agreement governing the construction and operation of the Distant Early Warning System and proposes supplementary language relating to paragraphs 13 and 17 of the annex to your Note No. ____ of ____.

2. My Government is in complete accord with the supplementary language proposed. I should like to bring to your attention, however, that the language contained in paragraph (a) of your Note No. ____ pertains only to the particular situation under present consideration, involving the Eskimos, and does not, in the view of my Government, constitute a precedent for other arrangements in the future.

3. My Government concurs in the proposal that your Note and this reply shall constitute a supplementary agreement, effective on the date of this note.

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

327.

DEA/50210-C-40

*Note du sous-secrétaire d'État aux Affaires extérieures
pour le secrétaire d'État aux Affaires extérieures*

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

SECRET

Ottawa, May 27, 1955

OPERATION AND MAINTENANCE OF THE DEW LINE

At the April 1955 meeting of the PJBD, in the course of the discussion on the DEW line, the U.S. Air Force Member said that, although the line would not come into operation until mid-1957, it was necessary for a variety of reasons to come to some conclusion in the very near future regarding the policy to be followed in operating and manning the system. A training programme would have to be launched, and budgetary and logistic requirements would have to be determined for inclusion in the financial programme for the U.S. fiscal year 1957. He pointed out that decisions on these matters were contingent upon the views of the Canadian Government because of the reservations which Canada had included in the DEW Agreement. The DEW Agreement leaves open the Canadian position both with

respect to the nature and extent of Canadian participation (except that it will be "effective"), and to the question of whether the line is to be manned by civilian or military personnel.

2. The U.S. Air Force Member of the Board put forward proposals on both of these points. His proposal concerning Canadian participation was that the central sector of the System, extending approximately from the mouth of the Mackenzie River to Bray Island in Foxe Basin, should be under command "of an RCAF officer". Presumably this would mean that the general responsibility for the effective operation of the sector would be vested in the RCAF.

3. The U.S. Air Force proposal concerning the operation and maintenance of the entire land-based segment of the line is that it be done by civilian personnel on a contract basis, and that military control would be exercised by stationing a military commander, assisted by no more than four military personnel, at the four main stations only. Civilian contract operation would include provisions for housekeeping, communication, electronic operation and maintenance, maintenance of facilities, medical attention, and operation and maintenance of aircraft that may be retained by the contractor on the line. It is estimated that there would be a total of 850 civilians on the line and an equal number providing back-up, including personnel in training.

Canadian Participation

4. In a memorandum to Cabinet Defence Committee, dated January 20, 1955, the Minister of National Defence wrote as follows:

"... it appears that the continuing aspects of the project are more important to Canada than the transient operations of crash nature (construction program) and that it would be desirable to have the RCAF take as substantial a share as practicable in the operation and manning of the line. It also appeared desirable to have as much as possible of the continuing logistic support performed by Canadian agencies so that traffic in the Arctic should be, as much as possible, Canadian. This would be an effective way of exercising our sovereignty in a continuing manner. To achieve this, it might be necessary to provide special arrangements for shipping which might take some time to achieve. At the present time, however, not enough is known about the line nor will likely be known for some time, to permit specific recommendations to be made. It would be desirable therefore to initiate studies immediately in respect of manning and transportation and resupply in the continuing phase in order to ascertain the possible requirements and the possibilities and consequences of Canadian participation in them."

Manning and Operation

5. The RCAF has made a study of the problem of manning the DEW Line and of the ways in which the RCAF might participate in the operation of the system, but the study has not yet been considered by the Chiefs of Staff Committee nor had it been seen until yesterday by any of the other departments concerned, which would include External Affairs, Northern Affairs and National Resources, Labour, and Defence Production.

6. The Department of External Affairs received yesterday from the Department of National Defence certain papers† dealing with this matter which are to be discussed at a meeting of the Chiefs of Staff Committee to be held on Monday. Two of these papers are of particular interest, one consisting of the recommendations of the RCAF and the other a statement of the views of General Foulkes.

7. The substance of the RCAF recommendation is that since Canada is doing its share by building the Mid-Canada line, the United States should be authorized initially to man and

operate the DEW line using civilian or service personnel as they see fit. There should be only token participation by the RCAF during the initial period of operation, consisting of liaison officers at selected stations. Canada should reserve the right to take over any part of the system at any time without prejudice to the United States continuing to pay the full cost. Canada should clearly state its intention of *ultimately* (?) manning and operating the communications system for the line.

8. The Chairman, Chiefs of Staff, argues that the Department of National Defence should not commit itself to any specific plan for RCAF participation until the United States has operated the system for a long enough period to get the "bugs" out of it and to demonstrate that it works effectively and satisfactorily. The application of this principle would defer Canadian participation for some time after the line goes into initial operation in 1957, possibly until as late as 1960. "I see grave difficulties in a decision being taken now that we will be responsible for the operation of any particular sector before the installations have been proven to work satisfactorily. It also seems to me that there will be some merit in having the same company operate the line as constructed it. If this were the case, all we would do would be to take over part of the cost of the operation of a sector and perhaps provide two or three RCAF personnel for supervision."

Resupply

9. So far as is known, the study of the problems of transportation and resupply has not yet been formally started. This is understandable, since it will not be possible to do much until the information acquired during the current airlift and the coming sealift is available for analysis. For example, the United States has made it clear that it would like to have Northern Transportation Company handle the resupply of all the stations in the sector from the Canada-Alaska border to a point east of Cambridge Bay. The Company, however, has insisted that before it can consider taking on any such commitment it will have to spend the next two summers getting detailed information on the hydrography and beach landing conditions in the area. It would seem to be a reasonably safe generalization that the limiting factor is the availability of Canadian Arctic shipping resources, and that the United States would welcome the opportunity to turn as much as possible of the task of resupply over to Canadian agencies, *and to pay for the service provided.*

10. If it should be argued then, that even if Canada is not prepared to make any commitment at this time with respect to taking responsibility for operating a sector of the line, it might do so with respect to resupply arrangements, it can be anticipated the operating departments would reply that:

(a) they would not be prepared to make any resupply commitments until more information is available as to what is involved;

(b) as the nature of the resupply problem becomes evident it is reasonable to expect that Canadian facilities to deal with it will be developed;

(c) in any case, the Canadian Government should itself pay only for the resupply of stations for which Canada has accepted responsibility.

Operation of the Line by Civil Contract

11. Having in mind the unresolved questions as to when and how Canada will participate in the operation of the DEW line, the U.S. proposal that the operation and maintenance of the entire land-based segment of the system be done by civilian personnel on a contract basis has obvious attractions from the Canadian point of view. However, before any recommendation could be made to Cabinet it would seem necessary to study a number of questions, including the following:

(a) What, if any, are the political implications of manning the most northerly defence line with civilians when radar installations farther south are manned by military personnel?

(b) Will an early decision to man the system with civilians adversely affect any subsequent decision by Canada to have the RCAF take over responsibility for part of the system?

(c) What effect would the employment of civilians for the project have on existing wage rates in the Arctic and would special measures be required to meet this problem?

(d) Should Canada require that any or all of the contracts for operation and maintenance be awarded to Canadian firms?

(e) To what extent should Canada require that Canadian labour be employed?

External Affairs' Position

12. In the discussion at the meeting of the Chiefs of Staff Committee, it is suggested that the External Affairs representative might take the position that operation of the system on a civilian contract basis would seem desirable, subject to detailed consideration of the questions outlined in paragraph 11 above.

13. The position which External Affairs should take with respect to the nature and timing of Canadian participation is less obvious. It would appear that the United States is quite willing to make use of, and to pay for Canadian resources in the operation, maintenance and resupply of the system, thus reducing the number of American personnel, military and civilian, to whatever minimum the available Canadian resources make possible.

14. Basically, the External Affairs position is that in order that the Canadian Government can exercise effective control over a defence project which is important politically as well as militarily, Canada should at the earliest opportunity share in the operational responsibility for, and acquire a financial stake in it. On the other hand it is clear that National Defence is determined to defer any decision on the matter for as long as possible, and then to do as little as possible.

15. The question to be answered therefore is how far External Affairs should push the argument that Canada should reach an early decision on the extent of its participation and should plan on participating as soon as the operation of the system commences rather than waiting until some later date.

16. It seems to me that the answer to this question hinges on two points:

(a) Since it is improbable that National Defence will yield its position at the official level, do you wish to carry the argument to Cabinet Defence Committee or Cabinet?⁵²

(b) To what extent is it desirable from the point of view of External Affairs that the RCAF should be tied to a continuing commitment in the far north which might run as high as \$15 million per year, when we are almost certain that we will have several large projects in more populated areas thrust at us within the next two years?⁵³ We understand, for example, that the 1957 fiscal program of the U.S. Air Force includes provision for 21 heavy radar stations of the Pinetree type (150-200 men per station) to be constructed in the prairie provinces and Ontario between the Pinetree and Mid-Canada systems. In addition, we know of a Strategic Air Command project for 11 refuelling bases, with 8,000-9,000 foot

⁵² Note marginale :/Marginal note:
Yes [L.B. Pearson]

⁵³ Note marginale :/Marginal note:
We should do this — unless we are certain it would make impossible later participation in or complete responsibility for these other projects [L.B. Pearson]

runways, and a complement of up to 650 men at each station. These are only two of a number of anticipated United States defence projects. There is certainly a case to be argued that it would be wise at this time to keep the relatively limited resources of the RCAF as free as possible until we have a better idea of what is going to develop during the next 18 months or two years.

17. I should be grateful for your guidance on these points.⁵⁴

J. L[ÉGER]

328.

DEA/50045-A-40

*Extrait du procès-verbal de la réunion
du Comité des chefs d'état-major*

Extract from Minutes of Meeting of Chiefs of Staff Committee

TOP SECRET

[Ottawa], May 30, 1955

Present

The Chairman, Chiefs of Staff (General Foulkes)
The Chief of the General Staff (Lieutenant-General Simonds)
The Chief of the Naval Staff (Vice-Admiral Mainguy)
The Chief of the Air Staff (Air Marshal Slemon)
The Acting Chairman, Defence Research Board (Mr. Davies)

Also Present

C.M. Drury, Esq., Deputy Minister of National Defence.
R.B. Bryce, Esq., Secretary to the Cabinet.
R.A. MacKay, Esq., Associate Under-Secretary of State for External Affairs.
Air Commodore Rutledge, Co-ordinator, Joint Staff.
Secretary, Chiefs of Staff (Commander Solomon)
Assistant Secretary, Chiefs of Staff (Lieutenant-Colonel Rutherford)

III. CANADIAN PARTICIPATION IN THE OPERATION AND MAINTENANCE OF THE EARLY WARNING SYSTEMS

7. *The Committee* had for consideration a memorandum from the Secretary, Chiefs of Staff to which was attached memoranda concerning Canadian participation in the operation, maintenance and manning of the Distant Early Warning Line and the Mid-Canada Line.

(CSC 1855-5 and CSC 1855-4 of 25 May, 1955)†

8. *The Chairman, Chiefs of Staff* said that it would be necessary to consider the early warning systems as a complete unit and to attempt to determine how it would operate in four or five years time. A first requirement would be that the system must operate efficiently as a whole.

9. As far as the DEW Line was concerned it had been his understanding that the US authorities were to be given permission to construct the line and to work out the necessary proposals for its manning and operation and that the Canadian Government would, at a later date, decide what part it would take in the manning. The government would be in a

⁵⁴ Note marginale :/Marginal note:

Our position should be to take on the maximum effort possible in respect of all activities on our own soil — even if it may mean the reduction of our defence effort overseas [L.B. Pearson]

better position to see how much of the line it was prepared to take over when costs for the maintenance and operation of the Mid-Canada Line had been determined. To take a decision at this time to be responsible for the operation of a particular section of the DEW Line before the installations had proved satisfactory could lead to difficulties.

10. If the principle was acceptable that the DEW Line should be operated by the prime contractor for a set period to prove its efficiency before consideration was given to Canadian operation, the same principle would appear to apply equally to the initial operation and maintenance of the Mid-Canada Line. The question might be raised as to why it had been recommended that the Mid-Canada Line be operated initially by service personnel.

11. *The Chief of the Air Staff* considered it important to bear in mind that the function of the DEW Line differed from that of the Mid-Canada Line. The former was primarily a warning system whereas the latter in addition to providing warning along the line would provide facilities for identification and traffic control of aircraft at 7 sector control stations at three of which there would be radar control. While it was both desirable and practical for the Doppler section of the Mid-Canada Line to be maintained and operated by the prime contractor until it had proved satisfactory, it was essential that the radar installations be operated by military personnel due to their function. In addition, the radar equipment had passed the test stage. With regard to construction, the RCAF had assumed a substantial portion of the responsibility for the planning and supervision of the Mid-Canada Line. The USAF had relegated these responsibilities to the civilian prime contractor in the case of the DEW Line.

12. *The Secretary to the Cabinet* said that if the DEW Line was not to be operated initially by military personnel the prime contractor should operate it for a set period until it was relatively trouble-free operationally. The cost to Canada of eventually paying for a portion of the operating cost would not likely be a major financial issue. A point of issue might be the question of whether the RCAF should share the military establishment of the line.

13. *The Associate Under-Secretary of State for External Affairs* said that as the United States was constructing, and if it were agreed that it should man, the DEW Line it should be allowed a relatively free hand to decide how the manning should be accomplished. Canada should only indicate that there were no objections to the United States manning being done by a civilian organization. With respect to the proposal that the United States should be permitted to man the DEW Line for a limited initial period pending final decision it was not considered that the Department of External Affairs would offer any objections, provided that it was clearly understood that the question would be reviewed within a limited period and provided also that it was understood that in principle Canada should participate in operating joint defence installations in Canada to the maximum extent possible.

14. *It was agreed*, after further discussion, that:

(a) the Chief of the Air Staff would prepare a draft submission on the subject to the Cabinet Defence Committee. The submission would recommend that the US be advised that there would be no objection to the prime contractor operating the DEW Line with civilians for a specified period after which time the situation would be reviewed with respect to Canadian manning and payment. The submission would also indicate the desirability and feasibility of the Doppler section of the Mid-Canada Line being operated initially by the prime contractor with civilians while the main radar stations would continue to be a service responsibility; and

(b) the draft submission referred to above would be considered at an early meeting of the Chiefs of Staff.⁵⁵

...

329.

DEA/50210-C-40

*Note du sous-secrétaire d'État aux Affaires extérieures
pour le secrétaire d'État aux Affaires extérieures*

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

SECRET

[Ottawa], June 13, 1955

OPERATION AND MAINTENANCE OF THE DEW LINE

The Chiefs of Staff agreed on May 30 to recommend to Cabinet Defence Committee that the United States be advised that there was no objection to the prime contractor (Western Electric) operating the DEW line for a specified period (say 2 years) with civilian personnel, after which the situation with respect to Canadian participation, both manpower and financial, would be reviewed. The RCAF would take over at the commencement of operation the rearward communication links at the points where they tied into the mid-Canada line, thus providing control over the communications. In addition an RCAF officer would be integrated into the staff of each of the 4 main stations on the line itself.

2. Before the above recommendation is submitted to Cabinet Defence Committee two further meetings are to be held. The first⁵⁶ is to be a meeting of Deputy Ministers, to give such Departments as Labour, Transport, Northern Affairs and Defence Production an opportunity to express their views on the details of the recommendations of the Chiefs of Staff and to consider further the possibility of Canada taking responsibility for the resupply of all or part of the DEW system. The second meeting is to be a meeting of Chiefs of Staff Committee to review the submission being prepared for Cabinet Defence Committee.

3. If you concur, I propose that the External Affairs representative at these meetings should seek to ensure that the following points are incorporated in the memorandum to Cabinet Defence Committee:

(a) the specified period for U.S. operation, at the conclusion of which the Canadian position with respect to participation is to be reviewed, should not exceed two years;⁵⁷

(b) Canadian sub-contractors and labour should be used whenever possible; (It will be necessary for the Department of Labour to balance this requirement against arrangements desired by the contractor to provide the greatest possible stability of employment.)⁵⁸

⁵⁵ Ce procès-verbal comprend les changements convenus à la 581^e réunion du Comité des chefs d'état-major les 22 et 23 juin 1955.

These minutes include changes agreed to at the 581st meeting of the Chiefs of Staff Committee on June 22 and 23, 1955.

⁵⁶ Note marginale :/Marginal note:
June 15 [Jules Léger]

⁵⁷ Note marginale :/Marginal note:
Yes [L.B. Pearson]

⁵⁸ Note marginale :/Marginal note:
Yes [L.B. Pearson]

(c) the plan for the operation of rearward communication links by the RCAF should be stated in specific terms in the memorandum to Cabinet, and in due course to the United States;⁵⁹

(d) specific information should be included in the memorandum to Cabinet on the progress of studies to determine the possibility of Canada undertaking responsibility for the resupply of the system, including the payment of all or part of the cost.⁶⁰

J. L[ÉGER]

330.

DEA/50210-C-40

Compte-rendu d'une réunion

Record of Meeting

SECRET

[Ottawa] June 15, 1955

Present at the Meeting

Department of National Defence

Mr. C.M. Drury, Deputy Minister—Chairman
 General Charles Foulkes, Chairman Chiefs of Staff
 Mr. E.B. Armstrong, Assistant Deputy Minister (Finance)
 G/C W.B. Hodgson, Assistant for Logistics Planning
 W/C G.R.M. Hunt, Directorate of Air Plans Strategic
 Mr. J.F. Anderson, Deputy Minister's Office

Department of Defence Production

Mr. D.A. Golden, Deputy Minister

Department of External Affairs

Mr. M.H. Wershof, Assistant Under-Secretary
 Mr. W.H. Barton, Defence Liaison Division 1

Department of Finance

Mr. J.J. Deutsch, Secretary to the Treasury Board
 Mr. D.J. Gow, Treasury Board Staff

Department of Labour

Mr. H.S. Johnstone

Department of Northern Affairs & National Resources

Mr. R.G. Robertson, Deputy Minister
 Mr. G.W. Rowley

Department of Transport

Mr. J.R. Baldwin, Deputy Minister
 Mr. J.E. Devine

OPERATION AND MANNING

1. In opening the meeting *Mr. Drury* stated that its purpose was to obtain the views of government departments on the position that Canada should adopt with respect to:

- (a) the operation and manning of the DEW Line;
- (b) the annual re-supply of the DEW Line.

2. The Chairman, Chiefs of Staff, presented the views of the Chiefs of Staff Committee on the operation and manning of the DEW Line, as contained in the draft submission to

⁵⁹ Note marginale :/Marginal note:
 Yes [L.B. Pearson]

⁶⁰ Note marginale :/Marginal note:
 Yes [L.B. Pearson]

Cabinet Defence Committee,† being considered by the Chiefs of Staff, copies† of which were circulated to those present.

3. *General Foulkes* stated that the Chiefs of Staff considered that nothing should be allowed to interfere with bringing the DEW Line into operation as soon as possible. They, therefore, favoured operation of the Line by the USAF through its prime contractor for an initial period of three years. He stated that the RCAF wished to have liaison officers at the four main stations and favoured Canadian operation and manning of the rearward communication system.

4. *Mr. Wershof* said that the Secretary of State for External Affairs held the view that the United States should be authorized to operate the Line for an initial period not exceeding two years.

5. *Mr. Golden* said that in his view and that in view of the Minister of Defence Production Canada should not offer to operate, man, construct or pay for any part of the DEW Line at least until such time as the System was proved, and further that for technical reasons, we should be prepared to allow the United States to operate the Line for an initial period of at least three years.

6. *Mr. Wershof* pointed out that a Public Declaration had been made to the effect that Canada would participate effectively in the operation of the DEW Line. He stated that Mr. Pearson strongly supports Canadian participation in the manning of the Line, and feels that as a minimum Canada should undertake the manning and operation of the rearward communications system. It was generally agreed that manning of the DEW Line itself by Canada was not practicable and, therefore, the recommendation in the draft submission, that the United States be permitted to man and operate the DEW Line by civil contract, if desired, and that Canadian civilians be given priority for employment in this system wherever feasible should be accepted.

7. *Mr. Robertson* supported the view of the Department of External Affairs that Canada should operate and man the rearward communication system. He observed, however, that the system now planned does not cater to commercial requirements in the Canadian North and he asked whether it would not be possible to move to the Mackenzie River Valley, the multi-channel voice and teletype tropospheric scatter link which it is now planned to run from Hall Lake down the west coast of Hudson's Bay through Churchill to Flin-Flon. Mr. Robertson noted that the main concentration of people in the Canadian North is along the Mackenzie River and that the establishment of commercial voice communications into this part of Canada was of far more value to his Department than to have such a system in the Eastern Arctic.

8. *Mr. Baldwin* pointed out that with the technological advances now appearing in the tropospheric scatter system of communications it was quite feasible that not too many years hence, the main communications links to Asia and Europe will extend across the Canadian North. To that end, the rearward communications plan currently envisaged would be more suitable than the alternative suggested by Mr. Robertson.

9. *Mr. Robertson* wished to know how this plan had been developed and it was pointed out by the RCAF that the USAF had developed the basic plan. The plan had then been brought to Canada for discussion and approval or otherwise by the RCAF. The RCAF had examined the plan in detail, bearing in mind that a requirement exists for a voice communications system extending northward from Hall Lake, via Resolute to Thule in Greenland, agreed that the plan fulfilled the military requirements and accordingly approved it with some minor modifications.

10. *Mr. Robertson* then asked if Canada undertook to pay for the construction and manning of the rearward communications system would it not be possible to move to Mackenzie River Valley, the link running from Hall Lake to Flin-Flon by Churchill.

11. *Mr. Drury* stated that the plan had been designed to meet a military requirement and the possibility of superimposing commercial traffic on this system would have to be discussed later. He felt therefore, that the basic plan which was now envisaged could not be altered.

12. In discussing the costs that would be incurred by Canada should it be decided to operate the rearward communications system, *General Foulkes* pointed out that the three Radar Lines in Canada should be regarded as one integrated system. For the benefit of the meeting, he mentioned that the Pinetree System had been constructed, manned and operated as a joint project of Canada and the United States and that no major disagreements on the sharing of costs for this system had been experienced. He went on to say further that the Mid-Canada Line was being constructed and operated solely by Canada and it was going to cost in the region of \$170 million. The DEW Line is being constructed by the United States at a cost of approximately \$250 million and, therefore, in examining these costs it is evident that Canada's share has been substantial. Because of the inherent difficulties of logistics support in more than one agency, constructing a radar line and for administrative ease it had been decided that Canada should construct the Mid-Canada Line and the United-States the DEW Line rather than operate on a joint basis as had been the case in the Pinetree System.

13. *Mr. Robertson* expressed concern as to whether Canadian labour, particularly Eskimo labour could be used in the operation of the DEW Line. It was pointed out by both *Mr. Drury* and *Mr. Golden* that there would undoubtedly be jobs available for the Eskimo and that the availability of positions for suitably qualified Canadian technical personnel would far exceed the supply and, therefore, there need be no fear on the part of the Departments of Northern Affairs and National Resources or Labour that Canadians would not have ample opportunity to work on the DEW Line.

14. *Mr. Drury* raised the question of whether Canada should contribute towards the annual cost of operating the DEW Line and the opinion of the meeting was that the entire cost of operating the system should be borne within the United States initially. It was generally agreed by those present that the draft submission to the Cabinet Defence Committee should be accepted, that is that the Canadian Government should authorize the United States Government to man and operate the Line through the medium of civilian contractors for a period of two or three years. It was further agreed that the rearward communications system for the DEW Line should be operated as a part of the DEW Line itself but preferably by a Canadian sub-contractor.

RE-SUPPLY

15. In the discussion concerning the annual re-supply of the Line it was evident that very little information is available as to what tonnages will be involved. *Mr. Drury* asked whether the USAF or the RCAF had examined this problem and it was pointed out by the RCAF that the USAF in the Project Office in New York had done nothing towards examining the problems of re-supply, although it was understood that some preliminary discussions had been held on this matter in the Pentagon. The RCAF had not examined the problem pending a decision on who should operate and man the system. It was pointed out that a rough estimate of tonnages involved could be gained from an estimate of the Western Electric Company that an Intermediate Station would require approximately 800 tons of POL per year and that an Auxiliary Station would require approximately 12 to 14 hun-

dred tons of POL. Therefore, an estimate of 1000 tons of POL per station in Canada could be assumed. *Mr. Baldwin* stated that it had been the experience of the Department of Transport that supplies other than POL normally ran at about 50% of the requirement for POL and, therefore, an average figure of 1500 tons per station in Canada could be assumed.

16. Of general information was a statement by *General Foulkes* to the meeting that the United States are even now examining the feasibility of providing power for the DEW system by means of nuclear reactors. Should this prove practicable it would alleviate the re-supply problems to a marked degree.

17. *Mr. Robertson* expressed the view that the Mackenzie River Transportation system should be developed to handle the re-supply of all stations in the Western Arctic including those in Alaska as far west as Point Barrow. This task would undoubtedly require construction of new ships. *Mr. Baldwin* stated that no commercial company would accept such a commitment unless they were assured of a ten-year period of operation. In the Eastern Arctic *Mr. Robertson* thought it should be possible to establish a system of logistics support with sea transport running into Hudson Bay, Foxe Basin and the east coast of Baffin Island. *Mr. Baldwin* agreed with *Mr. Robertson* that such a system could be set up and he felt that we could proceed on the assumption that the entire sea support of the Line could be handled by Canadian commercial carriers.

18. In the discussion on air support on the Line *Mr. Robertson* thought it should be possible to set up scheduled air services from the settled part of Canada to the Line and also running east and west along the Line. With these services he felt it should be possible to handle the annual airlift support for the system. It was pointed out by the RCAF that the maintenance of the Line would require a very specialized form of air service in that maintenance crews would be held at Main Stations and would proceed along the Line to carry out major servicing at Intermediate and Auxiliary stations when this was required. Obviously this type of service could not be handled on a scheduled basis.

19. *Mr. Baldwin* stated that the Department of Transport will be investigating this summer the feasibility and practicability of the Department of Transport operating the air strips at the Main Stations as Department of Transport airfields.

20. It was evident that a study on the re-supply problems should be undertaken in the very near future. *Mr. Baldwin* was asked whether the Transportation Sub-Committee of the Advisory Committee on Northern Development, which *Mr. Baldwin* chairs, could not undertake a study of the re-supply problems. It was agreed that *Mr. Baldwin's* committee would undertake this task.

331.

DEA/50210-C-40

*Note du sous-secrétaire d'État aux Affaires extérieures
pour le secrétaire d'État aux Affaires extérieures*

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

SECRET

[Ottawa], June 30, 1955

MANNING AND OPERATION OF THE DEW SYSTEM

As you know, discussions have been going on for some weeks in the Chiefs of Staff Committee, and between the deputy ministers of the departments concerned, as to what

reply the Canadian Section of the PJBD should make to U.S. proposals regarding the manning and operation of the DEW system. These proposals were as follows:

(a) The line should be divided into three sectors; the first, from Kodiak, Alaska to Tuk-tuk, at the mouth of the Mackenzie River, to be commanded by a U.S. officer; the second, from the Mackenzie to Foxe Basin, to be commanded by an RCAF officer; the third, from Foxe Basin to Cape Dyer on Baffin Island, to be commanded by a U.S. officer.

(b) The line should be operated and maintained by civilian personnel on a contract basis; the military control of activities would be exercised by stationing military commanders and small military staffs (4 or 5 officers) at each of the four main stations only. The total number of civilians on the line is estimated at about 850.

2. Although External Affairs has pressed for active participation by Canada in the project as soon as it commences operation, it is clear that this view is not shared by any of the other departments concerned.

3. There is general agreement among officials that the following recommendations should be submitted to Ministers:

(a) the U.S. be informed that its authorized agency may, subject to the provisions of the following sub-paragraphs, man and operate the portion of the DEW system in Canada for the first three years of its operation and that prior to the conclusion of this period Canadian wishes concerning future participation will be made known;

(b) the U.S. be permitted to man and operate the DEW system by civil contract if desired, subject to the same general conditions, where applicable, as were agreed for the construction phase of the system;

(c) Canada reserves the right to participate actively to the extent dictated by Canadian interests, including taking over the manning and operation of all of the system on Canadian territory at the expiration of the three-year period of operation, should it be in the Canadian interest to do so. (In this connection, Canada wishes now to indicate a special interest in assuming responsibility for the rearward communication system in Canada) (See comment in paragraph 4);

(d) an RCAF officer, or officers, be integrated into the staff of each of the four main stations;

(e) the United States will be responsible for administration and control of their own personnel, both service and civilian. The responsibility for the efficient technical operation of the system shall rest with the USAF, through its prime contractor. The military command of the area and operational control of the system, within Canadian territory, will be the responsibility of the RCAF;

(f) the question of participation of the resupply of the DEW system is under active consideration and recommendations will be put forward at a later date.

4. It appeared, in the course of the discussion, that if Canada were to participate in the project from the *outset*, the most logical way would be to take the responsibility for the rearward communications. This involves a total of 11 stations, the capital cost of which is estimated at \$15 million, and the operating cost about \$3.5 million per year. However, no department, other than External Affairs, was in favour of this. The general opinion was that, for the present, there was no particular advantage in Canada taking on such a commitment, and that if it later proved desirable this could be done. External Affairs asked that the recommendation to Ministers should at least present the pros and cons on this question. The response of National Defence was the ambiguous sentence marked in brackets in paragraph 3(c) above.

5. I do not think there is any doubt but that Canadian transportation facilities in the Arctic will be developed over the next few years to the point where they can cope with the resupply of the DEW system as well as the requirements of all other residents of the area. It is the intention of the Departments of Transport and Northern Affairs that the transportation system should operate on a commercial basis, with the U.S. paying for DEW line deliveries in the same way as the Hudson's Bay Company would pay for supplies delivered to its posts.

6. In view of the short time remaining before the next meeting of the PJBD on July 11, General Foulkes has proposed that the concurrence of the Ministers directly concerned be obtained for General McNaughton to make a statement along the lines indicated above. The External Affairs answer would seem to depend on the following points:

(a) Do you wish to pursue with your colleagues the question of active Canadian participation in the project from the outset? On the basis of the discussions at the official level, I think it has become unreal to recommend such a course.

(b) Assuming that you agree that External Affairs should cease to press the case for immediate participation, then I urge that the sentence in sub-paragraph 3(c) with respect to the rearward communications should be deleted. Twice, so far, in our dealings with the Americans, we have said we intend to participate; and each time, when confronted with the need for a decision, we have backed away. I have little doubt that when the three-year period proposed for U.S. operation of the system is up National Defence will have new reasons for delaying participation. Under these circumstances I think it is undesirable and undignified to make a declaration of intention about the rearward communications that we may never fulfil. Even without making such a declaration now, Canada's right to operate what it wishes after three years is unchallenged.

(c) If you do wish to have the matter discussed by Cabinet Defence Committee, then General McNaughton might be instructed, pending such a meeting, to indicate to the U.S. Section of the PJBD that Canada agrees to U.S. operation of the horizontal line for a three-year period, by civil contract if desired, but that we have not completed our study of the rearward communications and wish to reserve our position with respect to them for a short time (perhaps a few weeks).

7. In the discussions of the past few weeks National Defence, supported by Defence Production, has stressed the argument that Canada is already contributing its fair share to the over-all warning system through its commitments to the Pinetree and Mid-Canada projects. In this connection General Foulkes has asked me to draw to your attention the fact that a memorandum† is to be submitted to Cabinet Defence Committee recommending that a civilian agency be assigned, by contract, the responsibility for servicing, maintaining, and providing the logistic support for the Mid-Canada line. The operation and control of the line would be the responsibility of the RCAF.

8. A copy of General Foulkes' letter (dated June 29) to me, together with his draft papers on the DEW and Mid-Canada lines, is attached for your information.

J. L[ÉGER]

[PIÈCE JOINTE 1/ENCLOSURE 1]

*Le président du Comité des chefs d'état-major
au sous-secrétaire d'État aux Affaires extérieures*
*Chairman, Chiefs of Staff Committee,
to Under-Secretary of State for External Affairs*

SECRET

Ottawa, June 29, 1955

Dear Mr. Léger:

MANNING AND OPERATION OF THE DEW SYSTEM

Attached is a copy of the revised paper on the Manning and Operation of the DEW System. You will recall that at the 581st meeting of the Chiefs of Staff held 22 June, it was decided to make certain changes in the draft memorandum for Cabinet Defence Committee. These changes have been made and have now been cleared with the Chiefs of Staff.

You will note that para. 2(b) has been rewritten to allow for consideration of all the general conditions included in the exchange of notes regarding the construction phase of the line. It was the view of the Chiefs that this should be a matter of negotiation at the next meeting of the Permanent Joint Board on Defence as to just which of these conditions were applicable to the first phase of the manning stage.

You will also note that in sub para. 2(c) we have given indications of our special interest in the rearward communication system and our desire to take this over at an early date. You will recall it was suggested that this memorandum should not be sent to Cabinet Defence Committee at this time but should be shown to interested ministers; that is, the Secretary of State for External Affairs, the Minister of National Defence, and perhaps the Minister of Defence Production, and cleared with the ministers as the basis of an aide mémoire for the Chairman of the Canadian Section of the Joint Board on Defence for discussion at the July meeting. If you concur in the paper as now written as the basis of an aide mémoire for General McNaughton, would you advise me. I can then take this matter up with Mr. Campney and get his clearance so that your Department may refer the paper to General McNaughton for use at the next meeting of the Joint Board.

I am attaching for the information of your minister the agreed memorandum for Cabinet Defence Committee regarding the manning of the Mid-Canada Line as I consider it is necessary for ministers to realize the undertakings we are making regarding the manning of the Mid-Canada Line at the time they are considering the proposals for the manning of the DEW Line. This paper will in due course be put to Cabinet Defence Committee.

Yours sincerely,

CHARLES FOULKES

[PIÈCE JOINTE 2/ENCLOSURE 2]

*Note du ministre de la Défense nationale
pour le Comité du Cabinet sur la défense*

*Memorandum from Minister of National Defence
to Cabinet Defence Committee*

SECRET

[Ottawa], 24 June, 1955

MANNING AND OPERATION OF THE DEW SYSTEM

1. The Committee will recall that at the 105th meeting of the Cabinet Defence Committee held on 7 June last, the Journal of the Permanent Joint Board on Defence was noted by the Committee. At that time it was pointed out that the United States Air Force had put forward certain suggestions as a basis for discussion regarding the command and operation of the Distant Early Warning Line. These suggestions were as follows:

(a) The United States Air Force proposed that the land segment be divided into three sectors: the western sector from Kodiak, Alaska, to Tuktuk, to be commanded by a USAF officer; the central sector, from Eskimo Lakes, N.W.T. to Bray Island, to be commanded by an RCAF officer; and the eastern sector, from the vicinity of Bray Island to the eastern terminal, to be commanded by a USAF officer.

(b) The United States have advised that they are giving consideration to the entire land-based segment of the DEW Line being operated and maintained by civilian personnel on a contract basis. Civilian contract operation would include provisions for housekeeping, communication, electronic operation and maintenance, maintenance of facilities, medical attention, and maintenance of aircraft that may be retained by the contractor on the line; and the military control of activities would be exercised by stationing military commanders at the main stations only. They have suggested that the primary reason for proposing the manning of the line by civilians was that there was a shortage of technical manpower in the USAF. They estimated there would be a total of 850 civilians, plus 4 to 6 military personnel at each of the five main stations.

(c) The U.S. Section of the Board have asked for our views on the manning and operation of the line by not later than 1 August.

2. This matter has been discussed by the Chiefs of Staff and by other interested government departments and the following recommendations are made:

(a) The U.S. be informed that its authorized agency may, subject to the exceptions set forth in sub paras (c) and (d) hereunder, man and operate the portion of the DEW System in Canada for the first three years of its operation and that prior to the conclusion of this period, Canadian wishes concerning future participation will be made known.

(b) The United States be permitted to man and operate the DEW system by civil contract if desired, subject to the same general conditions, where applicable, as were agreed to for the construction phase of the system (reference Annex to the Exchange of Notes of May 5, 1955);

(c) Canada reserves the right to participate actively to the extent dictated by Canadian interests, including taking over the manning and operation of all of the System on Canadian territory at the expiration of the initial three-year period of operation, should it be considered in the Canadian interest to do so. In this connection, Canada wishes now to indicate a special interest in assuming responsibility for the rearward communications system within Canada (see attached map);

(d) An RCAF officer or officers, be integrated into the staff of each of the four main stations which lie within Canadian territory;

(e) The United States will be responsible for administration and control of their own personnel both Service and civilian. The responsibility for the efficient technical operation of the system shall rest with the USAF through their prime contractor. The military command of the area and operational control of the system, within Canadian territory, will be the responsibility of the RCAF.

(f) The question of participation in the resupply of the DEW System is under active consideration and recommendations will be put forward at a later date.

[R. CAMPNEY]

NOTE: "Operational Control" is defined as the power of directing, coordinating and controlling the operational activities of deployed units which may, or may not, be under the command of the authority exercising operational control. It specifically excludes redeployment.

332.

DEA/50210-C-40

*Note du sous-secrétaire d'État aux Affaires extérieures
pour le secrétaire d'État aux Affaires extérieures*

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

SECRET

Ottawa, July 5, 1955

MANNING AND OPERATION OF THE DEW SYSTEM

In accordance with our discussion yesterday, I informed General Foulkes that, provided the other Ministers concerned agreed, you had no objection to authorizing General McNaughton to inform the U.S. Section of the P.J.B.D. that, apart from the rearward communications, Canada was prepared to allow the United States to man and operate the DEW System for a period of three years. However, before a decision was reached on the rearward communications, you wished to have the matter discussed in Cabinet Defence Committee or in Cabinet.

2. Subsequently, General Foulkes discussed the matter with Mr. Campney who said that he was unalterably opposed to the assumption by Canada of the responsibility for the operation of the rearward communications system during the first three years. In order to resolve the matter immediately, we understand Mr. Campney may have it placed on the agenda of tomorrow's Cabinet.

3. Attached is a brief† for your use in discussing this matter at Cabinet if it comes up.

J. L[ÉGER]

333.

PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET

[Ottawa], July 6, 1955

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DISTANT EARLY WARNING SYSTEM; RESPONSIBILITY FOR MANNING
AND OPERATION

11. *The Secretary of State for External Affairs*, referring to discussion at the meeting of January 26th, 1955, said that the U.S. government had been informed, some time ago, that Canadian participation during the construction phase of the Distant Early Warning Line would be limited to giving assistance in organizing and using Canadian resources. It had also been indicated that the Canadian government intended to participate in the operation and maintenance of the project, but the character of such participation would be determined later, on the basis of studies to be carried out during the construction phase.

It now seemed clear that Canada should not, at this time, undertake to operate that portion of the new system in Canada. It was desirable that those who designed and built this new project should be responsible for getting it into successful operation. Consequently, he suggested that the U.S. government be informed, through the Permanent Joint Board on Defence which was meeting the following week, that Canada would not object to the proper U.S. agency taking on the operation of the line for the first three years, on the understanding that Canadian wishes regarding subsequent participation in operation would be made known within that period.

He was somewhat concerned, however, about the lack of Canadian participation in the operation and manning of the rearward communications. He suggested that General MacNaughton be requested to inform the U.S. section of the Permanent Joint Board on Defence, the following week, that Canadian views on this particular aspect of the matter would be made known to the U.S. authorities within the next two months.

12. *In the course of discussion* the following points emerged:

(a) It would likely be difficult for the government to reach a decision in two months on the operation of the rearward communications. It would be preferable to indicate to the P.J.B.D. that the government's views would be made known within the next six months. On the other hand, a decision could probably not be postponed for a six-month period without causing some delay in the whole operation.

(b) It was argued that, whatever else was done, Canada should retain some considerable share of responsibility for the manning and operation of rearward communications, which presumably might become quite useful for civilian purposes in the northern regions of Canada.

(c) It was argued, on the other hand, that there was some doubt that, from a technical point of view, the D.E.W. line and its rearward communications in northern Canada could be operated with complete success. In the circumstances, it might be in Canada's interests, in the early stages at least, to allow the whole system to be operated exclusively by the U.S. authorities on the understanding, of course, that Canada reserved its rights to participate to a greater or lesser degree at some time in the future.

13. *The Cabinet* noted the report by the Secretary of State for External Affairs on the manning and operation of the Distant Early Warning line and its rearward communications, and agreed that the U.S. government be informed,

(a) that, subject to certain conditions, there would be no objection to the proper U.S. agency manning and operating that portion of the D.E.W. line in Canada for the first three years of its operation, on the understanding that, within that period, Canadian wishes regarding its future participation in manning and operation of the line would be made known; and,

(b) that, within the next three months, the U.S. authorities be informed of Canadian views on Canadian participation in the manning and operation of the rearward communications of the line.

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334.

DEA/50218-D-40

*Extrait du procès-verbal de la Commission permanente
canado-américaine de défense*

Extract from Journal of Permanent Joint Board on Defence

SECRET

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4. (SECRET) *Distant Early Warning System — Land Segment*

The Canadian Chairman referred to item 4 of the Board's Journal for its meeting of April 1955, and in particular to the tentative views put forward by the USAF member regarding the policy to be followed in operating and manning the DEW system. He recalled the importance which the USAF member had attached to reaching an early decision on the general policy with respect to these matters and his request for the assistance of the Canadian Section in obtaining the views of the Canadian Government by July 1 if possible, and in any event by August 1.

The Canadian Chairman said that the Canadian Government had given careful consideration to the proposals advanced by the USAF member at the last meeting of the Board and that he was authorized to inform the Board of the Canadian Government's views, as follows:

- (1) The Canadian Government believed that the principle of vesting responsibility in a single agency, which was being applied during the construction phase of the project, should extend into the phase of the initial operation, at least so far as the line itself was concerned, until the system had been thoroughly tested and proven to be operationally effective.
- (2) For this reason, the Canadian Government was agreeable, subject to the limitations set forth in the following paragraphs, that the authorized U.S. agency might man and operate that portion of the DEW system in Canada for the first three years of its operation. Prior to the conclusion of this period the wishes of the Canadian Government concerning its future participation in the manning and operation of the system would be made known.
- (3) The United States might man and operate the system by civil contract, if desired, subject to the same general conditions, where applicable, as were agreed to for the construction phase of the system. In this connection the Canadian Government required that sub-contracts for air communications, and the operation and maintenance of air-strips, should be placed with Canadian entities.
- (4) The Canadian Government specifically reserved from the above authorization the rearward communications links. These facilities were of particular interest to Canada and a decision had not yet been reached by the Canadian Government as to its views regarding their operation. When the Canadian views had been determined, in about three months, the United States authorities would be informed.

(5) Canada reserved the right to participate actively, to the extent dictated by Canadian interests, including taking over the manning and operation of all or any part of the system on Canadian territory, at the expiration of the initial three year period of operation.

(6) Canada desired that an RCAF Officer or Officers should be integrated into the staff of each of the four main stations in Canadian territory.

(7) Although the U.S. would be responsible for administration and control of its personnel, both military and civilian, and although the responsibility for the efficient technical operation of the system would rest with the USAF through its prime contractor, the military command of the area and operational control of the system within Canadian territory would be the responsibility of the RCAF.

The Canadian Chairman said that the Canadian Government believed the application of the procedures outlined above should facilitate bringing the system to a high level of operational effectiveness at the earliest possible moment. He added that the statement he had just made referred only to the operation and manning of the system. It did not deal with the question of arrangements for re-supply. This problem was now under study by the Canadian Government and a separate statement on it would be made later.

The Canadian Chairman said that his remarks were intended only as a broad statement of policy and that it was recognized that it would be necessary, by means of consultation between the appropriate Canadian and U.S. authorities, to develop the detailed application of these principles to the specific problems which would have to be overcome in bringing the system into operation. As an illustration he referred to his remarks (paragraph 7) with respect to command arrangements. He said that the wording of this statement stemmed from the intention of the Canadian Government to maintain control over all flying and other military activities in or over Canadian territory. It was recognized that the application of this general principle would have to be worked out between the two Air Forces in view of their experience in evolving practical working solutions to other problems. However, he was confident that a mutually acceptable *modus operandi* could be reached.

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335.

DEA/50046-40

*Note du sous-secrétaire d'État aux Affaires extérieures
pour le secrétaire d'État aux Affaires extérieures*

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

SECRET

[Ottawa], September 26, 1955

106TH MEETING OF CABINET DEFENCE COMMITTEE

SEPTEMBER 27, 1955

ITEM III: OPERATION AND MANNING OF THE DEW LINE

You will recall that last June the Department of National Defence prepared a draft memorandum to Cabinet Defence Committee recommending the position which it considered should be taken by the Canadian Government with respect to the operation and manning of the DEW system. This Department finally agreed with all the recommendations except that concerning the rearward communications. The Department of National Defence considered that the rearward communications should be built and operated by the Americans for an

initial period of three years, the same as the rest of the project, except that any DEW rearward communications stations situated on the Mid-Canada Line should be operated by Canada after they had been tested and were working satisfactorily. This Department felt that Canada should participate actively in some phase of the operation of the DEW Line and that the rearward communications would seem to offer the best opportunity.

2. As it turned out the draft memorandum to Cabinet Defence Committee was never submitted. Instead this Department prepared a draft statement for use by General McNaughton at the July meeting of the PJBD (copy attached). This statement, which was approved by Cabinet on July 6, reflected the agreed views of National Defence and External Affairs on all phases of the project except the rearward communications. Cabinet directed that the rearward communications problem should be studied further and the Americans informed of the decision "in about three months' time", i.e. early in October.

3. The Department of National Defence has now prepared the attached memorandum for Cabinet Defence Committee† which reiterates the view it expressed in June that the Canadian Government should inform the United States authorities that the rearward communications for the DEW line may be dealt with in the same way as the rest of the system, i.e. that the United States may build and operate them for a period of three years.

4. Although the views of the Department of National Defence have not changed there has been another development which affects this issue. During this summer an interdepartmental study has been carried out by an *ad hoc* committee under the chairmanship of Mr. Bryce on the whole question of United States military communications in Canada.⁶¹ It is the tentative view of this Committee that in due course Canada should take possession of all of these communication facilities. It would appear, however, that the system which it would be most desirable to take over immediately is not the DEW rearward communications but the system which runs up the Northeast coast from St. John's to Frobisher and which is slated for extension to Thule. This proposal is now being given further study by the Committee. In the meantime, the Committee proposes that in all U.S. telecommunication projects in future, including the DEW rearward communications we should require:

(a) that the United States give Canada an option to acquire on reasonable notice any United States interest in the system on terms to be mutually agreed, and

(b) pending such acquisition by Canada, the United States should undertake to provide to the Canadian Government on request a reasonable number of circuits once the minimum essential military requirements of the United States have been met.

Mr. Bryce will report on this proposal at the Cabinet Defence Committee meeting.

J. L[ÉGER]

⁶¹ Voir/See Document 365.

336.

PCO

*Extrait du procès-verbal de la réunion
du Comité du Cabinet sur la défense*

Extract from Minutes of Meeting of Cabinet Defence Committee

TOP SECRET

[Ottawa], September 27, 1955

Present:

The Prime Minister (Mr. St-Laurent), in the Chair,
The Minister of Defence Production (Mr. Howe),
The Minister of National Defence (Mr. Campney),
The Secretary of State for External Affairs (Mr. Pearson),
The Minister of Justice (Mr. Garson),
The Minister of Finance (Mr. Harris).
The Secretary (Mr. Martin)
The Military Secretary (Captain Lucas)
The Chairman, Chiefs of Staff (General Foulkes),
The Chief of the Naval Staff (Vice Admiral Mainguy),
The Chief of the Air Staff (Air Marshal Slemon),
The Chief of the General Staff (Lieutenant-General Graham),
The Chairman, Defence Research Board (Dr. Solandt).
The Secretary to the Cabinet (Mr. Bryce),
The Deputy Minister of National Defence (Mr. Miller),
The Under-Secretary of State for External Affairs (Mr. Léger),
The Deputy Minister of Defence Production (Mr. Golden),
The Assistant Deputy Minister of Finance (Mr. Deutsch).

III. MANNING AND OPERATION OF THE DEW SYSTEM

9. *The Minister of National Defence* recalled that the U.S. had been informed at a meeting of the Permanent Joint Board on Defence, held in July, of the government's views on the manning and operation of the DEW System. This matter had subsequently been discussed by the Chiefs of Staff and other departments and, in order to clarify certain aspects of the situation, particularly with respect to communications, the Chiefs had made certain recommendations. They felt that the U.S. should be permitted to man and operate the portion of the DEW System in Canada for the first three years of its operation and that prior to the conclusion of that period, Canadian wishes concerning future participation would be made known. This could be done, if desired, by civil contract, under the same general conditions applicable to the construction phase but all sub-contracts for air transportation and the maintenance of air strips should be placed with Canadian agencies if this was feasible. Rearward communications should be treated in the same manner as the rest of the line except where they connected with stations on the Mid-Canada Line or passed through it. Canada should operate those particular installations when they were in a fully serviceable condition. The right to participate actively in the manning and operation of any part of the system in Canada after the initial three-year period should be reserved. An R.C.A.F. officer should be stationed at each of the four main stations on Canadian territory. While military command of the area should be a Canadian responsibility, U.S. agencies would be responsible for the administration and control of their own personnel and for the efficient operation of the system. The control of friendly aircraft would be handled in accordance with procedures to be agreed upon. The Chiefs of Staff were actively considering the question of re-supply and would submit recommendations on this subject in due course.

An explanatory memorandum had been circulated.

(Minister's memorandum, September 19, 1955, Document D18-55†).

10. *Mr. Campney* added that the U.S. authorities had been informed at the last meeting of the Permanent Joint Board on Defence that they would be advised in about three months' time of the extent of Canada's participation in the rearward communications system.

11. *During the course of discussion* the following points emerged:

(a) The question was asked whether, if the U.S. authorities constructed and operated rearward communications, arrangements could be made for these circuits to be made available for the use of the Canadian government, for example if they were needed for aircraft control purposes in the north. In reply, it was stated that official concern was over the question of control, in the long term, of the overall communications in the area. The development of the north was a vital matter and one could not foresee at this stage all the things that would have to be met. It was felt that if the U.S. were now given responsibility for constructing these rearward communications facilities and testing them, at a later date, a decision could be made whether Canada might take them over in whole or in part.

(b) It appeared that there would be a number of circuits available for more than military purposes arising out of the existence of the DEW line, and that there would probably be facilities available for important commercial purposes. It was observed, on the other hand, that U.S. regulations would not permit these lines to be leased for other than military purposes. It all depended on the interpretation given to the term "military purposes". There would probably be little difficulty in Canada using circuits for search and rescue operations, the transmission of meteorological information, and the like.

(c) It was difficult to see how the DEW line rearward communications could be considered in isolation from other communications systems in Canada. A committee of officials was now studying this whole question and it was understood that it would soon be reporting on the principles which might be applied to the solution of these problems. It was reported, in this connection, that this committee felt Canada's interests in all U.S. military communications systems should be protected by obtaining an option to take over all or part of such facilities on reasonable notice, after they had been built and tested. The terms of take-over would also include an undertaking to maintain and operate any such system or segments of a system, which was taken over, for the purposes it or they were originally designed to serve. A separate decision would, however, have to be made for each system and no specific overall rule could be laid down. On the DEW system, it was felt, as the Chiefs of Staff recommended, that the rearward communications should be treated in the same manner as that portion of the line in Canada. In other words, the U.S. authorities would be permitted to construct them and man them for a period of three years. However, it was also felt that since we might not wish to wait as long as three years the operation of some of the circuits might be assumed prior to that time. At present, all that was proposed was that an option be secured to take over that portion of the system that was considered desirable. If and when the option was exercised it was thought that the U.S. might be reimbursed a share of the capital costs involved.

(d) The question was raised of what would happen if no agreement could be reached on the principles which might govern Canada's participation in these communications systems. If no agreement was reached, would the U.S. authorities be allowed to maintain ownership and operation? Canada should insist on the right to use the communications for Canadian purposes and to take them over at any time. In reply, it was stated that it was difficult to assess Canadian requirements but an endeavour to reach agreement on principles would be made as soon as possible.

(e) It would be difficult for the U.S. authorities to secure a contractor to build and maintain the rearward communications for less than the three-year period. If these communications were not operated satisfactorily, the DEW line was of no use. It would be all right to permit the U.S. to do this provided Canada's rights were assured and as long as during that three-year period we had the use of the facilities.

(f) The difficulties on the communications question could only be resolved by the terms of the contract permitting construction.

12. *The Committee* noted the report of the Minister of National Defence on the manning and operation of the DEW system and agreed to recommend:

(a) that the United States be permitted to man and operate the rearward communications from the DEW line under the same general conditions as applied to the line itself, except that where these connected at stations on the Mid-Canada Line or passed through that line, such links would be manned and operated by Canada when fully serviceable;

(b) that in notifying the United States of the decision recorded in (a) above, it be pointed out that Canada might wish to arrange to use for governmental purposes a fair share of the circuits over and above those essential for the DEW line itself; and

(c) that the condition mentioned in (b) above be incorporated in any future agreement relating to communications for the DEW line.⁶²

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337.

DEA/50210-C-40

*Extrait du procès-verbal de la Commission permanente
canado-américaine de défense*

Extract from Journal of Permanent Joint Board on Defence

SECRET

Halifax, [n.d.]

...

3. (SECRET) *Distant Early Warning System — Land Segment*

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The Canadian Chairman then referred to the statement he had made at the last meeting of the Board concerning the views of the Canadian Government regarding the policy to be followed in operating and manning the DEW system apart from the rearward communications links. These facilities were of particular interest to Canada and a decision had not at that time been reached by the Canadian Government as to its views regarding their operation. The Canadian Chairman said however that he was now authorized to state that the Canadian Government was agreeable that the United States should man and operate the rearward communications from the DEW line under the same general conditions as those applying to the line itself, except that where these communications connected with the Mid-Canada line or passed through that line, such links, when fully serviceable, should be manned and operated by Canada. He added that the Canadian Government had been con-

⁶² Ces conclusions ont été approuvées par le Cabinet plénier le 28 septembre 1955. Une partie des discussions du Cabinet n'a pu être consultée en raison des suppressions faites au dossier en vertu des articles 15 1) et 13 1) de la Loi sur l'accès à l'information.

These conclusions were endorsed by the full Cabinet on September 28, 1955. Parts of its discussion were not available for consultation because of deletions under Sections 15(1) and 13(1) of the Access to Information Act.

sidering how to deal with its own communications requirements arising largely out of the operation of the DEW line, for example, the control of aircraft and other functions of the Department of Transport, the administration and responsibility of the Departments of Northern Affairs and Natural Resources, etc. With these requirements in mind the Canadian Government might wish to arrange to use for governmental purposes a share of the circuits over and above those essential for the DEW line itself.

The Canadian Chairman then referred to his statement at the last meeting of the Board that the military command of the area and operational control of the system within Canadian territory would be the responsibility of the R.C.A.F. It was apparent from the subsequent discussion that clarification of this point was desirable. He wished, therefore, to restate it in the following terms:

“Military command of the area will be a Canadian responsibility. Operational control of friendly aircraft in the area will be handled in accordance with procedures in effect or jointly arranged by the appropriate authorities in the United States and Canada.”

The U.S. Air Force Member expressed satisfaction with the clarification by the Canadian Chairman and stated that the U.S. Air Force would proceed in accordance with the policy statement of the Canadian Chairman at the July meeting and this clarification.

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SECTION D

SYSTÈME DE DÉFENSE RADAR : RÉSEAU PINETREE
ET LA LIGNE MID-CANADA
RADAR DEFENCE SYSTEM: PINETREE LINE AND MID-CANADA LINE

338.

PCO

*Note du ministre de la Défense nationale
pour le Comité du Cabinet sur la défense*

*Memorandum from Minister of National Defence
to Cabinet Defence Committee*

DOCUMENT NO. D9-55

[Ottawa], February 11, 1955

TOP SECRET

PROPOSED ESTABLISHMENT OF FOUR ADDITIONAL PERMANENT
RADAR STATIONS IN CANADA

1. At the September 1952 Meeting of the Permanent Joint Board on Defence, the United States Section of the Board submitted detailed information supporting a request for permission for the United States Air Force to carry out surveys leading to the establishment in Eastern Canada of six temporary radar stations (additional to those contained in the “Pine-tree” project) to improve cover against low-flying aircraft. These stations were planned to form part of a double perimeter chain, the other links of which were to be in the United States. One of the proposed units was to provide Early Warning/Ground Controlled Interception, the remainder Early Warning only.

2. Later, at the January 1953 Meeting of the Permanent Joint Board on Defence, the United States Section of the Board expanded the request to include three site surveys in

British Columbia. These new sites, while also for low-level coverage, were to be for mobile Early Warning Units.⁶³

3. Studies of the United States request for nine stations were carried out, and the Chiefs of Staff Committee recommended approval from the Military and technical point of view and, after Cabinet Defence Committee consideration (91st Meeting, 10 February 1953), approval was granted to carry out the various site surveys although authority to construct the stations was withheld pending completion of the surveys. The United States 'was so advised in Note D-85 of 2 April 1953.⁶⁴

4. Subsequently, at the January 1955 Meeting of the Permanent Joint Board on Defence, the United States Section advised that as a result of the surveys, careful reassessment, and consequent scaling down, the RCAF and United States Air Force Air Defence Commands have agreed that current defence needs would best be served by modifying the requirements and seeking authority to install four permanent type EW/GCI radar stations as opposed to the one EW/CGI and eight surveillance stations originally requested. Hence the primary purpose of these four stations is the improvement of the existing Pinetree system, rather than as low-level gap-filler radars. Detailed personnel, equipment and geographical specifications for these stations are set out in Appendix "A".† Each station is expected to provide approximate radar coverage of 175 miles above 20,000 feet, augment existing GCI radars, and enhance the coverage for flanking important United States target areas.

5. Paragraph VI(b), Minutes of the 103rd Cabinet Defence Committee Meeting of 24 January 1955, recorded that the Chiefs of Staff were studying this request and would make recommendations. It has been concluded that, from the Canadian point of view, the four stations, although not as important to the defence of the Canadian industrial complex as they are to United States target areas, are nonetheless essential and do contribute to the depth of the Canadian Defence System. A further benefit to Canada lies in the navigation assistance which these stations might be able to give to aircraft of all types.

6. It is recommended therefore, and in accordance with principles expressed at the Cabinet Defence Committee Meeting of 10 February 1953, that:

(a) The United States be authorized in principle to construct, operate and man the four proposed stations, subject to the conclusion of an agreement through diplomatic channels between the two Governments, in general line with the provisions of the agreement now being concluded for the Distant Early Warning System — it being understood that the United States will meet all costs of installation, operation and manning until the RCAF can take over the responsibility for their operation and manning; and

⁶³ Voir/See Volume 19, Document 680.

⁶⁴ Voir le volume 19, les documents 681, 685 et 686.
See Volume 19, Documents 681, 685 and 686.

(b) The RCAF should, as soon as manpower is available, assume responsibility for the manning of stations in populated areas.⁶⁵

R.O. CAMPNEY

339.

PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET

[Ottawa], May 6, 1955

...

ADDITIONAL RADAR STATIONS ON THE LABRADOR COAST

4. *The Secretary of State for External Affairs*, referring to the decision by the Cabinet on June 30th, 1954, that Canada should construct and operate the mid-Canada warning line, reported that, subsequently, the United States had expressed the desire to extend the line from Hopedale, its eastern terminus, down the Labrador and Newfoundland coasts to Cape Race.⁶⁶ Since the U.S. already operated a chain of radar stations on this coast, as part of the Pinetree project, the proposal really meant the insertion of a number of gap-filler radars at appropriate points. In the circumstances, the Chiefs of Staff Committee had agreed that the project might be handled by the U.S. as a supplement to the existing Pinetree installations.

Surveys had been carried out by the North East Air Command of the U.S. Air Force and it was recommended that these gap-filler radars be established at six sites near Cape Makovik, Cut Throat Island, Spotted Isle, Fox Harbor, La Scie and Elliston Ridge. There would be accommodation at each for thirty people, although the permanent staff would probably amount to twenty per station. Not more than 50 acres would be required per station although, for technical reasons, larger areas might be needed in some instances.

The U.S. Air Force had delayed requesting permission to begin construction because it had been waiting for the conclusion of the D.E.W. Line agreement on the assumption that this would serve as a model for the agreement to authorize the construction of these stations in Labrador and Newfoundland. The D.E.W. Line negotiations, however, had taken longer than anticipated. The U.S. fiscal year ended on June 30th, 1955, and part of the funds allocated for the Labrador extension, if not obligated at that time, would revert to the Treasury. This might delay construction of the stations and prevent their being operational by January 1957, when it was expected that the mid-Canada line would be completed. For this reason, Canada had been asked to consider allowing the U.S. Air Force to begin construction immediately, pending the conclusion of mutually acceptable terms and conditions between the two countries. The Minister recommended, with the concurrence of the Minister of National Defence, that the U.S. government be allowed to construct and operate the

⁶⁵ Approuvé par le Comité du Cabinet sur la défense le 3 mars 1955. Les stations radar étaient situées à Barrington (Nouvelle-Écosse), Oba et Marathon (Ontario) et Kamloops (Colombie-Britannique). Voir Canada, *Recueil des traités*, 1955, N° 30. La demande des États-Unis concernant ces stations a mené à une discussion sur la défense continentale entre Pearson et Dulles lors de la visite de ce dernier à Ottawa en mars. Voir le document 302.

Approved by Cabinet Defence Committee, March 3, 1955. The radar sites were located at Barrington, N.S., Oba and Marathon, Ontario and Kamloops, B.C. See Canada, *Treaty Series*, 1955, No. 30. The United States request for these radar sites led to a discussion of continental defence by Pearson and Dulles during the latter's visit to Ottawa in March. See Document 302.

⁶⁶ Voir/See Volume 20, Document 466.

gap-filler radar stations mentioned, subject to the conclusion of an appropriate exchange of notes.

An explanatory memorandum had been circulated.

(Minister's memorandum, May 2, 1955 — Cab. Doc. 89-55†)

5. *In the course of discussion* the following points emerged:

(a) It was the usual practice for Canada to acquire and hold title to land needed for U.S. defence installations on Canadian soil. The Department of Transport acted as agents for the Department of National Defence and the provinces usually made their crown land available without charge.

(b) The proper provincial authorities should be kept as fully informed as possible about defence projects which involved the use of land belonging to the Crown in the right of a province. In acquiring such land, methods should be followed which did not offend the susceptibilities of the provinces who had the constitutional right to the land in question. If private property was required, normal expropriation methods were of course followed. It was pointed out that, as far as Newfoundland was concerned, the province had been kept informed, as a rule, about proposals to construct defence installations.

(c) As much consideration as possible should be given to Canadian contractors in the matter of supplying equipment and erecting buildings and living quarters. For installations in the Maritime Provinces, the work should be done by contractors from the area when this was feasible. In this connection, it was observed that, under the proposed conditions governing the establishment of the project, Canadian contractors would receive equal consideration with U.S. contractors and preference would be given to qualified Canadian labour.

6. *The Cabinet* noted the report of the Secretary of State for External Affairs and agreed:

(a) that the United States be authorized to construct and operate gap-filler radar stations in Labrador and Newfoundland as the following six sites:

<i>Site number and name</i>	<i>Parent Pinetree station</i>
N-28A—Cape Makkovik	No. 1N-28, Hopedale
N-27A—Cut Throat Island	N-27, Cartwright
N-27B—Spotted Isle	N-27, Cartwright
N-26A—Fox Harbor	N-26, St. Anthony
N-26B—La Scie	N-26, St. Anthony
N-22B—Elliston Ridge	N-22, Redcliff

subject to the conclusion of an exchange of notes along the same general lines as the exchange for the Distant Early Warning System,⁶⁷ and that, pending the conclusion of the agreement, the U.S. could proceed with preliminary procurement, shipment and placement of materials and other measures for the construction of these stations;

(b) that the Department of External Affairs be authorized to inform the U.S. Department of State of this decision; and,

(c) that every effort be made to ensure that proper and tactful methods be followed when acquiring land belonging to the Crown in the right of a province.

...

⁶⁷ Voir Canada, *Recueil des traités*, 1955, N° 29./See Canada, *Treaty Series*, 1955, No. 29.

340.

DEA/12349-40

*Note du sous-secrétaire d'État aux Affaires extérieures
pour le secrétaire d'État aux Affaires extérieures*

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

SECRET

[Ottawa], November 22, 1955

ERECTION OF A "TEXAS TOWER"⁶⁸
OFF THE COAST OF NOVA SCOTIA

Some months ago the United States section of the Military Cooperation Committee informed the Canadian section that the United States planned to erect a "Texas Tower" on Brown's Bank on the Continental Shelf about 75 miles south of Cape Sable, Nova Scotia. We checked the proposed location of the Tower with the assistance of the Department of Mines and Technical Surveys and found that Brown's Bank is a part of the Canadian Continental Shelf.

2. After consultation with the Interdepartmental Committee on Territorial Waters, we raised the matter informally at the July 1955 meeting of the P.J.B.D. We pointed out to the United States section of the Board that, although Canada had not so far asserted any claim to the Continental Shelf off its coasts, nevertheless it was the tentative view of Canadian officials that, taking into account the doctrine of the Continental Shelf as currently proposed (and particularly as presented in United States legislation), and notwithstanding the fact that Canada had not proclaimed its title, Canadian interests were of such paramountcy as to warrant the permission of the Canadian Government being sought for the erection of the Tower.

3. The State Department Member of the Board did not deny that the proposed Tower would be on the Canadian Shelf and seemed to agree that the United States ought not to do something without permission on the Canadian Shelf which, if the positions were reversed, would require United States Government permission. He indicated, however, that because the International Law relating to the Continental Shelf was now under discussion in the International Law Commission, the United States might be reluctant to take up a definite position at this time concerning the extent of Canada's possible jurisdiction. He suggested that perhaps Canada's potential claim to jurisdiction could be adequately protected without the United States asking for permission. He had in mind that some joint Canadian-United States body such as the P.J.B.D. might recommend that the USAF build the Tower on Brown's Bank. If such a recommendation were adopted, it would imply Canadian consent but would by-pass the question of jurisdiction and consent.

4. At the October meeting of the P.J.B.D. the U.S. section raised the proposal formally and the U.S. Air Force member gave an account of United States plans. He said that he was able to confirm that the Canadian Air Defence Command and the U.S. Air Defence Command had jointly determined that the proposed Tower was needed as an off-shore extension of the North American Early Warning System for Air Defence. Plans called for a detachment of approximately 40 U.S. Air Force personnel to man the Tower. He emphasized that actual construction depended upon the availability of funds and that no target operational date could be specified at this time.

⁶⁸ Voir/See Volume 20, Document 486.

5. Following the October meeting of the Board the matter was considered again by the Interdepartmental Committee on Territorial Waters and it was agreed that an appropriate way of dealing with this matter would be to have the P.J.B.D. incorporate in the Journal of its next meeting a note along the following:

“The Board agreed that the establishment of a ‘Texas Tower’ on Brown’s Bank off the coast of Nova Scotia was needed as an off-shore extension of the North American Early Warning System for Air Defence and noted with approval the intention of the U.S. Air Force to construct such a tower. The Board urged that Precautions be taken during the construction period to avoid undue damage to the fisheries on Brown’s Bank and suggested that at the appropriate time the necessary data be forwarded to the appropriate authorities of both governments for inclusion in Notices to Mariners.”

6. Subject to your concurrence and that of Mr. Campney, I propose to instruct the External Affairs member of the P.J.B.D. to proceed as recommended in the preceding paragraph.⁶⁹ I am sending a copy of this memorandum to the Deputy Minister of National Defence with the request that he obtain the approval of Mr. Campney.⁷⁰

J. L[ÉGER]

⁶⁹ Note marginale :/Marginal Note:

Nov 24 Minister approves with one change. He'd like words "on the Canadian continental shelf" inserted after "Nova Scotia" in 3rd line of proposed entry. I see no reason why US should object to a geographical fact. M. Wershof

⁷⁰ Pour un rapport sommaire des progrès concernant les divers systèmes d'alerte continentale, voir le document 307.

For a summary report on the progress of the various continental warning systems, see Document 307.

SECTION E

GOOSE BAY

341.

PCO

*Extrait du procès-verbal de la réunion
du Comité du Cabinet sur la défense*

*Extract from Minutes of Meeting
of Cabinet Defence Committee*

TOP SECRET

[Ottawa], January 24, 1955

Present

The Prime Minister, (Mr. St-Laurent), in the Chair,
 The Minister of National Defence (Mr. Campney),
 The Minister of National Health and Welfare (Mr. Martin),
 The Secretary of State for External Affairs (Mr. Pearson),
 The Minister of Justice (Mr. Garson),
 The Minister of Finance (Mr. Harris).
 The Minister of Northern Affairs and National Resources (Mr. Lesage) (For discussion of Item I).
 The Secretary (Mr. Martin),
 The Military Secretary (Commander Solomon).
 The Chairman, Chiefs of Staff (General Foulkes),
 The Chief of the Naval Staff (Vice Admiral Mainguy)
 The Chief of the General Staff (Lieutenant-General Simonds),
 The Chief of the Air Staff (Air Marshal Slemon),
 The Vice-Chairman, Defence Research Board, (Mr. Davies).
 The Deputy Minister of National Defence (Mr. Drury),
 The Associate Under-Secretary of State for External Affairs (Mr. MacKay),
 The Assistant Deputy Minister of Finance (Mr. Deutsch),
 The Assistant Deputy Minister of Defence Production (Mr. Hunter).

. . .

V. U.S. MILITARY OPERATING REQUIREMENTS — GOOSE BAY

13. *The Minister of National Defence* said that when the Goose Bay lease had been arranged with the United States in December, 1952, a Canadian proposal that the Canadian government would expect to be consulted whenever there might be a substantial increase in numbers of U.S. personnel had been concurred in by the U.S. government.⁷¹ In accordance with this agreement, a request had been received for the rotation of certain Strategic Air Command units through Goose Bay airport. The purpose was to provide these units with familiarization and simulated combat operational training. The units involved included an Aerial Refuelling (Tanker) Squadron consisting of 20 aircraft and 400 personnel, to be stationed at Goose Bay on a continuing basis and rotated every 90 days, four additional refuelling squadrons consisting of 80 aircraft and 1600 personnel, for periods not exceeding 30 days; and the occasional rotation of one medium bomber wing for 90-day training periods, consisting of 45 aircraft and 2000 personnel. There were at Goose Bay now 418 R.C.A.F. and 3634 U.S. military personnel. If the proposal were approved, the numbers of U.S.A.F. personnel continuously at Goose Bay would rise by 400, and there might be as many as a further 3600 on a transient basis in the event that all the units were

⁷¹ Voir/See Volume 18, Document 733.

at Goose Bay at one time. These squadrons were involved solely in U.S. Strategic Air Command activities and would have no connection with the defence of the airport. The operation was one requiring special aircraft and special techniques which could not be carried out by the R.C.A.F.

An explanatory memorandum had been circulated.

(Minister's memorandum, January 20, 1955 — Document D5-55)†

14. *In the course of discussion* the following points emerged:

(a) SAC was a vital element in the defence of the free world and to refuse a request such as this, which had been made in accordance with the original agreement for leasing Goose Bay, would be embarrassing and difficult. As part of the Canada-U.S. region we had an obligation to our NATO partners to support SAC operations which were one of the main missions of the United States in the alliance. On the other hand, before reaching an affirmative decision the government should be assured that such a proposal did in fact add to the overall defence strength of the free world. If the Chiefs of Staff agreed that a request such as this would contribute to strengthening further the defence of North America and NATO, there could be no objection to it.

(b) The proposal appeared to be the first of a series for the establishment by SAC in the northern parts of Canada of other bases for refuelling and support of their aircraft, and such proposals, if acceded to, would imperil more and more Canadian sovereignty over its own territory. So far there were no requests for stockpiling atomic and thermo-nuclear weapons on Canadian soil but this might follow. On the other hand, the provision of refuelling facilities could mean that such requests would not be made because aircraft carrying these weapons would be refuelled in the air and would not have to land.

(c) Adding to U.S. strength in Goose Bay was not too worrying because of the remote location of the base. However, it was possible there would be requests to provide further facilities at Edmonton for SAC and this would present greater difficulties.

(d) Unless Canada changed her attitude and policy and ceased to encourage the support and the making ready of retaliatory forces, it was almost impossible to refuse the request which had been made.

15. *The Committee*, after further discussion, agreed to recommend that permission be given for the location on a continuing basis of an Aerial Refuelling (Tanker) Squadron at Goose Bay, consisting of 20 aircraft and 400 personnel; the rotation for periods not exceeding 30 days of a further four refuelling squadrons consisting of 80 aircraft and 1600 personnel; and the rotation occasionally for 90-day training periods of one medium bomber wing consisting of 45 aircraft and 2000 personnel.⁷²

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⁷² Approuvé par le Cabinet le 26 janvier 1955./Approved by Cabinet on January 26, 1955.

SECTION F
FROBISHER BAY

342.

DEA/703-AM-40

*Le sous-secrétaire d'État aux Affaires extérieures
au président du Comité des chefs d'état-major,
au sous-ministre des Transports et au sous-ministre
des Affaires du Nord et des Ressources nationales*

*Under-Secretary of State for External Affairs
to Chairman, Chiefs of Staff, Deputy Minister of Transport
and Deputy Minister of Northern Affairs and National Resources*

SECRET

Ottawa, June 13, 1955

UNITED STATES AIR FORCE ACTIVITIES AT FROBISHER BAY

On March 15, 1955, the Department of External Affairs received from the Secretary of the Joint Planning Committee a copy of a memorandum,† dated March 10, 1955, from the U.S. Section of the Military Cooperation Committee to the Canadian Section, setting out a requirement for the establishment by the USAF of a VHF Forward Scatter Facility to provide a ground-to-ground communication link between Frobisher Bay and Thule Air Force Base in Greenland. The memorandum stated that establishment of such a circuit was necessary to provide a tie-in between the Greenland aircraft control and warning system and the Pinetree system. A copy of this memorandum is attached.

2. On June 9, the Department of External Affairs received a further memorandum† from the Secretary of the Joint Planning Committee attaching a copy of a memorandum† from the U.S. Section of MCC to the Canadian Section, (dated June 2) setting out a United States requirement for increasing the number of U.S. personnel at Frobisher from 150 to 350. The memorandum also indicates that the United States Air Force expects to propose the construction of additional buildings and other facilities, and because of the increase in United States investment in the base, will wish to have the tenure provision of the Frobisher Bay agreement revised. A copy of this memorandum is attached.

3. You will recall that in 1951 the United States was authorized to repair the wartime facilities at Frobisher Bay on condition that the repairs would not in any way affect the ownership of the land or existing buildings and that, in respect of any further construction, Canada would retain title to any immovable property. In 1951 the United States Air Force was also authorized to maintain a detachment of approximately 150 men at Frobisher Bay as a line of communication support base for northern bases and as a weather alternate and refuelling stop. This authorization was granted on the understanding that the station would remain under the command and control of the RCAF.

4. It should be appreciated that in addition to the 150 men at the station there are approximately the same number of USAF personnel at a Pinetree radar station which is nearby.

5. In 1952, as a consequence of a further request by the USAF for permission to improve facilities at Frobisher Bay, an agreement was prepared between the RCAF and the USAF designed to implement the External Affairs note of 1951 authorizing occupancy and use of

the base by the USAF.⁷³ The agreement provided that the commanding officer of the station would be an RCAF officer, whose responsibilities were (a) to insure that USAF use of the station was in keeping with activities authorized by the Canadian Government, (b) to supervise the functions of the Canadian detachment at the Base, (c) coordinate base defence arrangements, plans and deployment.

6. Under this RCAF-USAF agreement, Canadian personnel at the Base are responsible for the central tower, ground/air communications, air traffic control and the operation of a dependent forecast office and associated communications. The total number of Canadian personnel is in the neighbourhood of 24 of which about 16 are employees of the Department of Transport. Apart from the Commanding Officer, it is understood that all RCAF personnel at the Base are employed on air traffic control duties. All activities at the station other than those enumerated above are carried out by USAF personnel.

7. I am of the opinion that under the circumstances described above the position of the RCAF officer in attempting to act as commander of the base is anomalous to say the least, and that if the size of the U.S. contingent is increased to 350, his position as commander will become a fiction which will be impossible to maintain.

8. Assuming that the USAF requirement for additional personnel and for expansion of Frobisher are militarily justifiable and should be concurred in by the Canadian Government, I think it is essential that we devise some different method of taking care of Canadian interests there.

9. There would seem to be three possible courses of action, each of which has serious drawbacks as well as advantages:

(a) increase the size of the RCAF detachment so that the base becomes an RCAF station in fact as well as in name;

(b) have the field operated by the Department of Transport as a civil air field, and increase the number of Canadians on the station by taking over responsibility for some of the base services now provided by the USAF;

(c) turn the field over to the USAF, reserving the right to take it over again on reasonable notice, and providing that Canadian civil and military aircraft may use it as required.

10. I expect that this subject will come up at the July meeting of the Permanent Joint Board on Defence and I suggest therefore that it might be useful to have a preliminary discussion at the June meeting of the Advisory Committee on Northern Development. This could be followed by more detailed discussion between the departments directly concerned.

JULES LÉGER

⁷³ Voir le volume 18, les documents 747-751.
See Volume 18, Documents 747-751.

343.

DEA/50197-C-40

*Extrait du procès-verbal de la réunion
du Comité consultatif sur le développement du Nord*
*Extract from Minutes of Meeting
of Advisory Committee on Northern Development*

SECRET

[Ottawa], June 20, 1955

Present:

Mr. R.G. Robertson, (Chairman)
Deputy Minister of Northern Affairs and National Resources,
General C. Foulkes,
Chairman, Chiefs of Staff,
Major-General H.A. Young,
Deputy Minister of Public Works,
Commissioner L.H. Nicholson,
Royal Canadian Mounted Police,
Dr. G.S. Hume,
Acting Deputy Minister, Department of Mines and Technical Surveys,
Mr. J.R. Baldwin,
Deputy Minister of Transport,
General A.G.L. McNaughton,
Chairman, Canadian Section, Permanent Joint Board on Defence.
LCDR. A.A. Beveridge, representing the Secretary to the Cabinet.
Mr. M.H. Wershof, representing the Under-Secretary of State for External Affairs.
Mr. G.W. Stead, representing the Deputy Minister of Finance.
Mr. R.F. Legget, representing the President, National Research Council.
Dr. H.A. Procter, representing the Deputy Minister of National Health.
Mr. G.W. Rowley, (Secretary)
Department of Northern Affairs and National Resources.

Also Present:

Mr. A. Thomson, Department of Transport.
W/C G.R.M. Hunt, Department of National Defence (R.C.A.F.).
W/C B.R. Rafuse, Department of National Defence (R.C.A.F.).
W/C M. Thorpe, Department of National Defence (R.C.A.F.).
W/C K.P. Likeness, Department of National Defence (R.C.A.F.).
Mr. W.H. Barton, Department of External Affairs.
Major J. Morrisson, Department of National Defence (Army).
Mr. C.J. Marshall, Department of Northern Affairs and National Resources.

* * *

VIII. U.S.A.F. ACTIVITIES AT FROBISHER BAY
(SECRET)

30. *Mr. Wershof* explained that the problem at Frobisher Bay had been outlined in a letter dated June 13, 1955, from the Under-Secretary of State for External Affairs to the Chairman, Chiefs of Staff, and the Deputy Ministers of Transport and Northern Affairs. There appeared to be three possible courses of action:

(a) Increasing the size of the R.C.A.F. detachment so that Frobisher would become an R.C.A.F. station in fact as well as in name.

(b) Operation of the airfield by the Department of Transport as a civil airfield and increasing the number of Canadians on the station by taking over responsibility for some of the services now provided by the U.S.A.F.

(c) Turning the field over to the U.S.A.F. while reserving the right to take it over again on reasonable notice and making provision for use by civil and military aircraft as required.

31. *General Foulkes* said the Department of National Defence found that it was unsatisfactory for one organization to act as housekeeper for another. The R.C.A.F. did not have a military requirement for the base.

32. *Mr. Baldwin* considered that turning the field over to the U.S.A.F. would raise serious difficulties for civil users. Experience at Harmon Field had shown that whatever agreements were made it was practically impossible to protect the interests of civil aviation adequately at an airfield operated by the U.S.A.F. Even if the Department of Transport had the men and funds to take over Frobisher their position as civilians operating a predominantly military base would be difficult and it would be preferable for the R.C.A.F. to continue to control the airfield. The Department of Transport was considering assuming responsibility for the operation of certain other airfields in the north such as Cambridge Bay and Coral Harbour. This might be done within the next year, relieving R.C.A.F. personnel who could be used to increase the R.C.A.F. establishment at Frobisher. Canadian Pacific Airlines and Scandinavian Air Services were using Frobisher as an alternate on their polar air routes and at least two other airlines would soon establish similar services. It seemed likely that Frobisher would become a regular stop on the polar route but the greatest civil use at first would probably arise from an increase in domestic traffic for Distinct Early Warning line supply.

33. *Mr. Wershof* considered that if Frobisher were turned over to the U.S.A.F. it would be possible to provide greater safeguards in the agreement than at Harmon where the United States had a ninety-nine-year lease.

34. *Commissioner Nicholson* said that the situation at Frobisher had been discussed informally at the Administration Sub-Committee when it had been suggested that accommodation for passengers on trans-polar flights might be required. Though the present situation was unsatisfactory it might be preferable to any of the suggested alternatives.

35. *Mr. Robertson* said the Department of Northern Affairs would be very reluctant to see Frobisher turned over to the U.S.A.F. It would probably become the first place where many international travellers would set foot in Canada. In addition to other civil interests, plans were under way to make Frobisher a major administrative centre for the Eastern Arctic.

36. *W/C Hunt* said that at present an R.C.A.F. detachment of seven men provided flying control. Some addition would be necessary when the present U.S. plans were implemented but this would not improve the ratio of Canadian and United States personnel since the U.S.A.F. strength would also increase.

37. *General Young* suggested that a thorough examination of the situation might reveal some practical solution by which the R.C.A.F. could retain effective control by undertaking certain key responsibilities and by co-ordinating all agencies at the airfield. This would not necessarily entail an increase in the size of the R.C.A.F. detachment.

38. *General Foulkes* suggested that a small working group be set up to discuss the problem in detail. The R.C.A.F. and the Departments of Transport, External Affairs, and Northern Affairs should probably be represented.

39. *General McNaughton* said that the principle of having a Canadian officer in charge of such stations had been established at the Permanent Joint Board on Defence.⁷⁴ As U.S. activities increased the R.C.A.F. would necessarily assume more of a supervisory role. It was important to keep a firm grip on the country. The problem at Frobisher would probably be discussed at the July meeting of the P.J.B.D. Any decision reached in this case of Frobisher might establish a pattern for similar situations which were bound to arise at other points in the north.

40. *Mr. Stead* suggested that no step should be taken which might later prejudice the development of civil aviation at Frobisher. There were however many complicating factors which might make normal operation by the Department of Transport impracticable and the Department of Finance would be prepared to accept some compromise based on this principle.

41. *The Committee* agreed that a working group with representatives from the R.C.A.F. and the Departments of Transport, External Affairs, and Northern Affairs should examine the problem at Frobisher in order to establish means by which Canadian control of the airfield could be strengthened.

...

344.

DEA/50197-D-40

Note pour le Comité consultatif sur le développement du Nord
Memorandum for Advisory Committee on Northern Development

DOCUMENT ND-142

[Ottawa], October 20, 1955

CONFIDENTIAL

FROBISHER BAY

1. At its 27th meeting on 20 June, the A.C.N.D. considered the effect of increasing U.S. activities at Frobisher on Canadian control of the station. The Committee agreed that "a working group with representatives from the R.C.A.F., D.O.T., External Affairs and Northern Affairs should examine the problem of Frobisher Bay to establish means by which Canadian control of the airfield could be strengthened".

2. The Working Group held its first meeting on 27 June with the following representatives in attendance:

Mr. G.W. Rowley	- Secretary, A.C.N.D. (Chairman)
G/C E.M. Reyno	- R.C.A.F.
Mr. W.H. Barton	- External Affairs
Mr. J.R. Robertson	- Transport
Mr. B.G. Sivertz	- N.A. & N.R.
Mr. C.J. Marshall	- Secretariat A.C.N.D. (Secretary)
LCDR A.A. Beveridge	- Privy Council Office
Mr. Bevis Dewar	- Privy Council Office

3. The Working Group examined the whole subject of Frobisher at length. The possibility of placing the base under an appropriate Canadian civil authority was discussed and considered not to be advisable because of the special circumstances at Frobisher where the

⁷⁴ Voir le volume 19, les documents 672-673.

See Volume 19, Documents 672-673.

U.S.A.F. is the major user. The Working Group agreed that in the light of the extent of probable U.S. increases at Frobisher the best means of ensuring effective Canadian control would be by establishing a properly constituted military command there. The degree of effectiveness of a military command would, the Group considered, be in direct proportion to the nature and extent of the functions of the base for which the military commander would exercise direct responsibility. The administrative organization should parallel that now existing at Goose Bay.

4. The establishment of such an organization will necessitate a considerable increase in the number of Canadian controlled personnel at Frobisher. This could entail added expense for Canada, but the Working Group recognized that a suitable formula might be worked out whereby these costs could be shared with the United States who, as the principal user, might pay a substantial part.

5. The Working Group considers it necessary to point out, however, that the plan for Frobisher which is eventually approved by the Canadian Government will set the precedent for Canadian supervision of many similar U.S. military operating requirements which should be anticipated in the Canadian north in the next few years. If no suitable arrangement can be made with the United States whereby costs are shared, the cumulative total of expense to Canada could be substantial, assuming that similar organizations were set up for each U.S. military requirement in Canada.

6. It was agreed that the following formula be suggested to the A.C.N.D. as a means of retaining "effective control" at Frobisher:

(1) The base should be under the command of a senior Canadian military officer but the policy and details of the arrangements would require discussion by the Chiefs of Staff.

(2) All functions connected with the operation of the aerodrome including flying control, communications, airstrip maintenance, and meteorological services should be carried out by Canadians. If service personnel were not available most of the tasks could be handled by civilian employees of the Department of Transport directly responsible to the station commander.

(3) The U.S. authorities should be requested to consider employing Canadian civil organizations for the provision of housekeeping services including refuelling of aircraft and messing. The U.S.A.F. now provide these services with military personnel. If they were performed by Canadian civil contractors, the preponderance of U.S. servicemen at the field would be greatly reduced.

(4) Detailed examination should be made of methods whereby the U.S. would pay part of the operating costs of bases they used. When additional facilities were required, the capital and operating costs could be shared by Canada and the United States in proportion to the use they would make of them.

G.W. ROWLEY
Secretary, A.C.N.D.

345.

DEA/50197-C-40

*Extrait du procès-verbal de la réunion
du Comité consultatif sur le développement du Nord*

*Extract from Minutes of Meeting
of Advisory Committee on Northern Development*

SECRET

[Ottawa], October 25, 1955

. . .

(C) REPORT OF THE WORKING GROUP ON U.S. ACTIVITIES AT FROBISHER BAY
(CONFIDENTIAL)

11. *Mr. Robertson* referred to the discussion at the last meeting on U.S. activities at Frobisher Bay. The Committee had appointed a working group with representatives from the R.C.A.F. and the Departments of Transport, External Affairs, and Northern Affairs and National Resources to examine the problem in order to establish means by which Canadian control of the airfield could be strengthened. The working group had held two meetings and their report, which contained four recommendations, had been distributed with the agenda.

(Secretary's memorandum Document ND-142 dated October 20, 1955).

12. *General Foulkes* said that, while the Department of National Defence would accept a plan that did not involve an increase in R.C.A.F. personnel, they would prefer to defer any change until the exceptional conditions resulting from the construction phase of the D.E.W. line were over, and the ultimate U.S.A.F. requirements were more certain. The station commander was now a R.C.A.F. Wing Commander, and the Department of National Defence would ensure that his command was effective.

13. *Mr. Booth* said the Department of Transport could supply most of the personnel required to take over the additional services suggested in the working group's report, but they considered the airfield should be under the control of a military officer since he would have to deal so closely with U.S. military services.

14. *General Young* said the R.C.A.F. should supply a small command element only. Any additional personnel required should be civilian employees of the Department of Transport.

15. *General McNaughton* considered it would be difficult to request the U.S.A.F. to employ a Canadian civil organization to provide their messing facilities.

16. *Mr. Barton* said the Department of External Affairs had raised the question of Canadian control at Frobisher Bay because the United States had requested permission to increase their establishment. This request had however now been withdrawn and the matter was no longer urgent.

17. *The Committee* agreed that no change should be made in existing command arrangements at Frobisher until the future U.S.A.F. requirements at the base were clear.

. . .

SECTION G
ESSAIS NUCLÉAIRES
NUCLEAR TESTING

346.

PCO

Extrait des conclusions du Cabinet
Extract from Cabinet Conclusions

TOP SECRET

[Ottawa], May 13, 1955

...

NUCLEAR WEAPON TEST BY THE UNITED STATES IN THE PACIFIC OCEAN

16. *Mr. Martin, as Acting Secretary of State for External Affairs*, reported that the United States was going to test a large nuclear weapon in an underwater explosion somewhere off the western coast of this continent. Canada had not been advised where this would take place nor the direction or distance of the testing area from Canada. The U.S. authorities had been approached and had given an assurance that there would be no danger to Canadian ships, aircraft, or fishermen from the explosion or from the fall-out. The U.S. would have no objection to our making this assurance public.

17. *In the course of discussion* the following points emerged:

(a) Canada had been informed earlier of this year's testing programme, but this underwater explosion had not been mentioned until a few days previously. While the U.S. had said it would take all possible precautions to avoid damage, this did not mean that the effects of the test might not be unfortunate. Neither the U.S. nor Canada knew what effect the explosion might have on the salmon fishery, for instance. Mistakes in judgment had been made before and some of the results of previous tests had been unexpected.

(b) If Canada could persuade the U.S. to drop this test it might be worth doing. However, this did not appear to be possible and no formal protest had been made. In answer to any questions which might arise following the test, it could be stated that Canada had expressed concern.

(c) There was much public concern that the results of these atomic tests were not worth the dangers which might arise from them. Consideration might be given to making representations to the President. No such step had been considered but some officials had expressed their worries to U.S. officials on the effects of the tests made in the past. Canadian health authorities believed that there had been no serious effects so far from radioactivity but they could not be sure of this. Certain eminent authorities in the U.K. held a different view.

18. *The Cabinet* noted the report of the Acting Secretary of State for External Affairs on the forthcoming underwater test of a nuclear device to take place off the western coast of North America.

...

347.

DEA/50219-D-40

*L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures
Ambassador in United States
to Secretary of State for External Affairs*

TELEGRAM WA-790

Washington, May 13, 1955

CONFIDENTIAL

Reference: Our WA-785 of May 13† and telephone conversation Léger to Glazebrook.

UNDERWATER WEAPONS TEST

Following for the Under-Secretary, Begins: We have informally asked the State Department whether it would be possible, without perhaps giving the exact location of the forthcoming weapons test, to indicate whether it was in a southerly area.

2. We were told that careful consideration had earlier been given to whether or not there should be a closer identification of the location. The decision was against doing so mainly on two grounds:

- (a) That it would increase the worry of the nearest populated area;
- (b) That it might encourage inquisitive people to approach too close.

3. It was after this decision had been taken that the press release⁷⁵ included reference to the location being hundreds of miles from land and off the west coast of the United States.

4. The State Department fully appreciate the reasons for your concern that all possible steps should be taken to remove apprehensions as to the results of this test. They are at our request investigating the possibility of giving to us at least an approximate idea of the location. For reasons indicated above, it is most unlikely that they would give this information except on a confidential basis. They are far from sure that they can do even that, but will let us know as soon as possible.

5. Meanwhile, they expressed the confidence of the United States authorities that all necessary precaution had been taken to avoid danger to shipping, aircraft, and fisheries or to the effects of any fall-out.

6. This is a preliminary report sent as we do not know how long it will take to get an answer on your specific enquiry.

A.D.P. HEENEY

⁷⁵ Voir/See *New York Times*, May 10, 1955.

348.

DEA/50219-D-40

Note du sous-secrétaire d'État adjoint aux Affaires extérieures
Memorandum by Associate Under-Secretary of State for External Affairs

CONFIDENTIAL

[Ottawa], May 14, 1955

UNDERWATER WEAPONS TEST

Reference: Telegram No. WA-790.

I discussed the above telegram with Mr. Martin, the Acting Minister, this morning. He said that he did not feel that the telegram gave adequate assurance to the Canadian Government and he thought we should go back to the Embassy to ask them to press the State Department for information (a) on location of the test; (b) on the size and type of the weapon (whether, for example, it were a thermo-nuclear bomb). He said further that we could assure the United States that any information obtained would be treated confidentially by him personally. He wanted to be able to say to Parliament, if a question were asked, that he was personally satisfied that Canadian interests would not be endangered, and that in any case he would like to be able to say this to his Cabinet colleagues.

2. Subsequently I telephoned Mr. Heeney and gave him the substance of my conversation with Mr. Martin and asked him to try to find out through the State Department what he could on the size of the weapon and the location of the test. I told him to reassure the State Department that the information would be treated in complete confidence by the Minister. Mr. Heeney said that Mr. Glazebrook had been dealing with the matter; he will instruct Mr. Glazebrook accordingly. They expect to hear from the State Department on Monday.

R.A. M[ACKAY]

349.

DEA/50219-D-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures
Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-797

Washington, May 16, 1955

CONFIDENTIAL. IMMEDIATE.

Reference: Our WA-790 of May 13, 1955.

UNDERWATER WEAPONS TEST

The State Department have now told us that the location of the forthcoming weapons test will be "not at all in your area", i.e., it will be a considerable distance from the Canadian-American border. We were told this after we had given a firm assurance that the information would be held in confidence. It is, as you will see, still in general terms but we hope that it will be sufficient for your purposes.

2. We were also told in confidence that an announcement would be made within 24 to 48 hours that the test had taken place.⁷⁶ Even after the event no indication will be given of the

⁷⁶ Voir/See *New York Times*, May 18, 1955.

location of the test beyond what has already been publicly said. We were consequently asked to draw to your attention that such information on location as we have indicated above should remain confidential even after the explosion has taken place.

SECTION H

CHAMP DE TIR AU CANON SUR LE SAINT-LAURENT
ST. LAWRENCE GUNNERY RANGE

350.

DEA/11359-A-40

*Note du sous-secrétaire d'État aux Affaires extérieures
pour le secrétaire d'État aux Affaires extérieures*

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

CONFIDENTIAL

Ottawa, August 5, 1955

USE BY THE USAF OF THE RCAF AIR GUNNERY RANGE
IN THE GULF OF ST. LAWRENCE

Following discussions between the RCAF and the USAF, the RCAF recently established an air gunnery range in the Gulf of St. Lawrence, primarily for use by fighter units of the USAF based at Goose Bay.

2. Attached for your initials, if you agree, is a note to the United States Embassy extending an invitation to the U.S. Government for aircraft of the USAF based in Newfoundland to make use of the range.

3. The extending of an invitation in this way and the terms of the note have been worked out in consultation with the Department of National Defence so as not to prejudice whatever decision the Government may eventually take with regard to claiming the Gulf of St. Lawrence as Canadian territorial waters, which is one of the subjects now being considered by the Interdepartmental Committee on Territorial Waters.

J. L[ÉGER]

[PIÈCE JOINTE/ENCLOSURE]

*Note du secrétaire d'État aux Affaires extérieures
à l'ambassadeur des États-Unis*

*Note from Secretary of State for External Affairs
to Ambassador of United States*

No. D-187

Ottawa, August 5, 1955

CONFIDENTIAL

The Secretary of State for External Affairs presents his compliments to His Excellency the Ambassador of the United States of America and has the honour to refer to discussions which have recently taken place between the Royal Canadian Air Force and the United States Air Force concerning a United States requirement for an air gunnery range in the Gulf of St. Lawrence.

The Canadian Government is pleased to extend an invitation to the United States Government for United States military aircraft to make use of an air gunnery range recently established by the Royal Canadian Air Force in the Gulf of St. Lawrence. The boundaries of the range are as follows:

“Commencing at the Northwest corner and proceeding clockwise, the co-ordinates are as follows:

49°48'N,	60°04'W.
49°46'N,	59°19'W.
48°27'N,	59°27'W.
48°29'N,	60°12'W.

and thence to the point of beginning.”

Copies of the Notice to Mariners defining the range are attached† for the Ambassador's information.

The following restrictions and conditions apply to the use of the range:

(a) The use of the range will be restricted to aircraft of the United States Air Force based in Newfoundland.

(b) The area will be searched for surface vessels by aircraft before firing exercises are carried out.

(c) There will be no firing conducted while there are vessels anywhere in the area in which spent missiles may fall.

(d) Prior to any air firing exercise on the range, notification of intent, including time of use, will be passed to the ATC Centre at Gander.

(e) At all times, while the range is in use, surveillance radar will scan the area to ensure that it is clear of any civil aircraft. If it is apparent that any civil aircraft is about to enter the danger area while exercises are in progress, such exercises will cease until the area is once again free.

(f) All air firing exercises will be conducted in such a manner as to ensure that all missiles will fall within the designated danger area, and that there will be no interference to aircraft operating on Red Route 74 or Red Route 5.

(g) The United States and Canadian Governments agree that all claims arising out of damage or injury to persons or property occurring in connection with the use of the range by United States aircraft will be settled in accordance with Article VIII of the North Atlantic Treaty Organization Status of Forces Agreement.⁷⁷

(h) This invitation is extended to the United States Government for the period ending on December 31, 1956, and may be renewed by mutual agreement.

The Canadian Government wishes to be informed if it is the desire of the United States Government to accept the invitation for the use of the range subject to the conditions noted above.

L.B. PEARSON

⁷⁷ Voir Canada, *Recueil des traités*, 1953, N° 13./See Canada, *Treaty Series*, 1953, No. 13.

351.

DEA/11359-A-40

*Note du chef de la 1^{re} Direction de liaison avec la Défense
pour la Direction juridique*

*Memorandum from Head, Defence Liaison (1) Division,
to Legal Division*

CONFIDENTIAL

[Ottawa], October 28, 1955

ST. LAWRENCE GUNNERY RANGE

Attached for your information is Note No. 97 of October 26, 1955, from the U.S. Embassy accepting the Canadian invitation to make use of the air gunnery range established by the RCAF in the Gulf of St. Lawrence. Since the note contains a reservation to the effect that the United States does not recognize any Canadian jurisdiction over such waters in the Gulf of St. Lawrence as may lie outside the traditional three mile limit of territorial waters, I thought I should seek your advice before informing the Department of National Defence that the United States had accepted the invitation to make use of the range.

G. IGNATIEFF

[PIÈCE JOINTE/ENCLOSURE]

*Note de l'ambassadeur des États-Unis
au secrétaire d'État aux Affaires extérieures*

*Note from Ambassador of United States
to Secretary of State for External Affairs*

No. 97

Ottawa, October 26, 1955

CONFIDENTIAL

The Ambassador of the United States of America presents his compliments to the Secretary of State for External Affairs and has the honor to refer to the latter's Note No. D-187 of August 5, 1955, extending an invitation to the United States Government for United States military aircraft to make use of an air gunnery range established by the Royal Canadian Air Force in the Gulf of St. Lawrence.

The appropriate United States authorities were appraised of the Canadian Government's kind invitation, which is accepted with pleasure by the United States Air Force, subject to the conditions and restrictions set forth in the Secretary's above-mentioned Note. The United States Navy, which was also consulted, while appreciating the invitation, has indicated that it has no current need for the range.

In conveying the foregoing, the Ambassador deems it advisable to mention that the United States, in accordance with its views of long standing, does not recognize any Canadian jurisdiction over such waters in the Gulf of St. Lawrence as may lie outside the traditional three-mile limit of territorial waters.

He also suggests that the Northeast Air Command, United States Air Force, be authorized to get in touch direct with the appropriate Royal Canadian Air Force authorities for the purpose of working out details of the planned use of the range.

352.

DEA/11359-A-40

*Note de la Direction juridique
pour la 1^{re} Direction de liaison avec la Défense*

*Memorandum from Legal Division
to Defence Liaison (1) Division*

CONFIDENTIAL

[Ottawa], November 3, 1955

Reference: Your memo dated Oct. 28, 1955 and Note No. 97 of October 20, 1955 from U.S. Embassy.

ST. LAWRENCE GUNNERY RANGE

We have noted the reservation contained in the above mentioned note to the effect that the United States do not recognize any Canadian jurisdiction over such waters in the Gulf of St. Lawrence as may lie outside the three mile limit. We consider that there might be advantage, if time permits, in deferring informing the Department of National Defence that the United States has accepted the invitation to make use of the range until this reservation has been considered by the Inter-departmental Committee on Territorial Waters. A meeting of this Committee is tentatively scheduled for November 14, 1955 and we are suggesting to the Chairman of this Committee that the reservation in the third paragraph of the American Note be put on the agenda for this meeting.

2. It may be, however, that in view of the last paragraph of the American Note, the Department of National Defence will have to be informed on its contents and a reply given hereto before November 14. If you think this to be the case you might bring the reservation to the attention of National Defence. At the same time, we strongly recommend that you defer acknowledging the United States Note pending the receipt of the Committee's views. In any event, if this is not possible, we would recommend your avoiding any mention of the reservation in your reply to the American Embassy.

3. For your information, this Division is inclined to think that, subject to the views of the Inter-departmental Committee, acceptance of the arrangements proposed in the last paragraph of the United States Note would not prejudice any future action we might wish to take with regard to the Gulf. As I interpret it, the sense of the reservation in the third paragraph of the United States Note does not necessarily signify that the United States would not agree to our claiming the Gulf after consultation with them. The reservation would mean that at the moment they consider the Gulf to be international waters and do not intend that our act of setting up the range should ever be capable of being cited as evidence of an historic title of Canada to those waters. It seems to point out, however, that if we hope to establish in the future title to the Gulf, we shall have to seek United States acquiescence.⁷⁸

GILLES SICOTTE

⁷⁸ Notes marginales :/Marginal notes:

DL(1). I think that you must tell N[atational] D[efence] now what we've received, & that we are asking Int[erdepartmental] Committee to consider it. I suggest also [that you] tell N.D. that we wish to defer any reply to U.S. and any action on setting up range until after Committee meets. M. Wer-shof Nov 4

Mr. Barton informs me that the range is already set up. H.I. J[ones]

353.

DEA/11359-A-40

*Note de la Direction juridique
pour la 1^{re} Direction de liaison avec la Défense*
*Memorandum from Legal Division
to Defence Liaison (1) Division*

CONFIDENTIAL

[Ottawa], November 15, 1955

Reference: Our Memorandum of November 3, 1955.

ST. LAWRENCE GUNNERY RANGE

1. The United States Embassy's Note No. 97 of October 26, 1955, in which the United States Government accepted the invitation to use the R.C.A.F. Gunnery Range, but stated that it does not recognize any Canadian jurisdiction over the Gulf outside the traditional 3-mile limit, was considered by the Inter-Departmental Committee on Territorial Waters on November 14, 1955.

2. The Committee agreed that the best method of dealing with this Note would be to avoid a written reply and instead to:

(a) Request the R.C.A.F. to get in touch with the North Eastern Command, United States Air Force, to work out details of the planned use of the range, and

(b) At the same time, *orally*, to:

(i) inform the United States Embassy that this had been done, and

(ii) note the United States' reservation in the penultimate paragraph of the Embassy's Note, stating that, whilst we do not necessarily agree with their view, we do not wish to precipitate a debate on this question at this time since we consider the main question is to get the Gunnery Range in use.

3. I take it you will be prepared to speak to the appropriate official of the United States Embassy, accordingly.⁷⁹

GILLES SICOTTE

SECTION I

TÉLÉVISION SUR LES BASES AMÉRICAINES
TELEVISION ON AMERICAN BASES

354.

PCO

Extrait des conclusions du Cabinet
Extract from Cabinet Conclusions

TOP SECRET

[Ottawa], October 12, 1955

* * *

⁷⁹ Note marginale :/Marginal note:

Legal Division:

1. Letter sent to D[eputy] M[inister] of National Defence.

2. I spoke to Mr. Rewinkel, the Counsellor at the U.S. Embassy as suggested in para[graph] 2(b) of your memo. For your information and file W.H. B[arton] DL(1)

OPERATION OF TELEVISION TRANSMITTERS AT CERTAIN U.S. MILITARY
INSTALLATIONS IN CANADA

23. *The Prime Minister* referring to discussion at the meeting of July 28th, 1955, said the United States had requested an informal expression of opinion as to whether there would be any objection in principle to the establishment of small television installations by U.S. armed forces at the leased bases at Argentia and Stephenville in Newfoundland, and at the base at Goose Bay. It had been indicated at the same time that, if these stations were approved, a further request might be made for a station at Fort Churchill.

The type of installation provided by the U.S. for isolated military bases costs approximately \$50,000 had a power of 50 watts and a range of about three to five miles which could be modified to some extent. These stations used primarily kinescope recordings but had a limited capacity for transmitting local presentations. They were also required to comply with local regulations. Authority existed, under the Radio Act, to license them if considered desirable. However, the Minister of Transport would have to make certain modifications to the regulations for issuing licences and the regulations, established by order in council, concerning the employment of Canadian operators would also have to be amended. The Department of External Affairs had proposed that, if the stations were to be established, they should be licensed in the same manner as other stations, and be subject to the same general conditions except where it would be inappropriate to enforce a particular one, for example, that respecting free-time political broadcasts. At Goose Bay, the R.C.A.F. should perhaps be represented on a management committee to be responsible to the R.C.A.F. commander. An appropriate amount of Canadian programme material would be required to be shown. Finally, it should be made clear that, at the conclusion of the licensing period, it might be necessary, because of domestic needs, to cease operations.

The departments of National Defence and Transport had been consulted on the matter, but the conclusions reached were those of External Affairs.

An explanatory memorandum had been circulated.

(Memorandum, Secretary of State for External Affairs, Sept. 27, 1955 — Cab. Doc. 203-55†)

24. *The Minister of Finance* said he hoped it would be possible to avoid the annual costs of \$50,000 to the C.B.C. involved in the production of Canadian telecast material for the stations. At the same time, it would be desirable to ensure that there was a reasonable measure of Canadian content in the programmes. The request brought to light once again the problem of C.B.C.'s increasing costs, and pointed up the necessity of deciding, as soon as possible, on the composition of the Royal Commission to consider television and to examine the operations of the corporation.

25. *During the discussion* the following points emerged:

(a) If the provision of appropriate programme material for each privately owned television station cost the C.B.C. approximately \$50,000 a year, there was little wonder that these stations were so profitable.

(b) On no account did it seem desirable to agree to a station at Argentia, which was within the range of the C.B.C. station at St. John's.

(c) A decision on the Goose Bay station should not be reached until the Minister of National Defence was present. In any event, the R.C.A.F. did not wish to be associated with its management since this would lead to pressure for stations at other Canadian service establishments. This particular difficulty might, however, be met by having a C.B.C., Transport, or civilian National Defence official on the committee of management.

(d) It was possible that there would be a private television station at Cornerbrook in the near future. In such circumstances, the U.S. should not be permitted to install a station at Harmon Field. On the other hand, U.S. servicemen there were in a relatively isolated area. Nearby were some thousands of Canadian citizens with little prospect of ever having television. If the proposed U.S. service was good, with reasonable Canadian content in its programme, and if no private person was licensed to operate in Cornerbrook, the request might be approved.

(e) The U.S. armed forces radio station now in St. John's should be closed down if the new television stations came into operation. There would be no public re-action now against doing this.

(f) The Department of Transport did not object to the proposal providing the stations were low powered and the wave lengths could be altered, if required. However, when recent amendments were made to the Radio Act, Parliament had been informed that licences would be granted for non-Canadian stations only to meet strict defence needs. If, in fact, this statement of policy had been made, it would be necessary to advise members of the changed circumstances.

26. *The Cabinet,*

(a) deferred consideration to a later meeting of the United States request for the establishment of television transmitters at the U.S. naval station at Argentia, at Ernest Harmon Air Force base near Stephenville, and at Goose Bay; and,

(b) agreed to consider, at an early date, the composition and terms of reference of the proposed Royal Commission on Television.

...

355.

L.S.L./Vol. 218

*Le ministre de la Citoyenneté et de l'Immigration
au premier ministre*

*Minister of Citizenship and Immigration
to Prime Minister*

CONFIDENTIAL

Ottawa, November 2, 1955

My dear Prime Minister:

As I told you Monday, I had set down a few points for consideration in the preparation of a reply to the U.S. note† about television facilities at the leased bases in Newfoundland.

I am sending copies of these suggestions to Mr. Marler, Mr. Pearson, Dr. McCann and Mr. Harris and also to the Secretary to the Cabinet and the Chairman of the C.B.C.

I presume External Affairs will take the initiative in raising the matter for consideration again before too long.

Yours sincerely

J.W. PICKERSGILL

[PIÈCE JOINTE/ENCLOSURE]

*Note*SUGGESTED POINTS FOR REPLY TO U.S. NOTE RE TELEVISION STATIONS
ON NEWFOUNDLAND BASES

1. That the Canadian government could not consider any special arrangement for Argentina or Fort Pepperell which are already served by the existing television station at St. John's.

2. That the laws of Canada do not permit the grant of a broadcasting licence to persons who are not British subjects; but that the Canadian government views sympathetically the problem of the U.S. authorities and their desire to provide television for their personnel at Harmon Field.

3. In view of the national broadcasting policy and the fact that broadcasts would be available to a considerable number of Canadian citizens as well as United States military personnel, the Canadian government could not agree to the establishment of a station which did not include a reasonable proportion of Canadian material in its broadcasts.

4. To meet the situation the Canadian government would be prepared to have the U.S. authorities install and operate a station at or near Harmon Field under the direct supervision and control of the Canadian Broadcasting Corporation which would itself hold the licence. Such a station would be a part of the national network of the C.B.C. and one third of its broadcast material would be provided by the C.B.C. The initial period of operation would be five years, but the station would be closed at any time thereafter on the establishment of a Canadian station which could provide television coverage to the Base.

5. The Canadian government would be prepared to make a similar arrangement at Goose Bay, Labrador, if that should be desired by the United States authorities.

6. The Canadian government would be prepared to enter into these arrangements only on the understanding that the sound broadcasting now carried on without licence at the U.S. bases in Newfoundland would be terminated. This broadcast network was established at a time when broadcasting in Newfoundland was much less developed. Broadcasts from Canadian stations are now available at all the bases. These broadcasts are technically an infringement of Canadian sovereignty, the termination of which would make it much easier to justify to the Canadian public the new arrangements herein proposed.

356.

PCO

*Extrait des conclusions du Cabinet**Extract from Cabinet Conclusions*

TOP SECRET

[Ottawa], November 9, 1955

NEWFOUNDLAND; OPERATION OF TELEVISION TRANSMITTERS BY U.S.
ARMED FORCES

11. *Mr. Pickersgill* said he had circulated to the Prime Minister and a number of his colleagues suggestions as to the nature of the reply which might be made to the U.S. note requesting permission for the U.S. Armed Forces to establish and operate television transmitters at U.S. military bases in Newfoundland.

He said the U.S. Ambassador and Minister at Ottawa had recently discussed this problem with him and had indicated that the television broadcasts from the station at St. John's, Newfoundland, could not be seen at the Argentia base. He doubted that this was entirely accurate. The St. John's station could, he understood, be seen in some parts of the camp and it would, in all likelihood, be possible to make whatever technical arrangements were necessary to ensure adequate coverage throughout the whole camp. He had informed Mr. Stuart and Mr. Thompson it was unlikely that the Canadian government would grant the requested permission for the establishment of a television station at Argentia base, but he, personally, had some sympathy for the request for the installation of television transmitters at Harmon Field and at Goose Bay.

He had also taken the opportunity to inform the Ambassador and the Minister that their request about the television transmitters would be more likely to fall on receptive ears if the U.S. authorities closed the radio broadcasting station operated at St. John's by the U.S. Armed Forces. Mr. Stuart and Mr. Thompson appeared to be unaware of the fact that this station was operating.

In all the circumstances, he thought it might be well to defer any definitive action for a while in the hope that the U.S. authorities might eventually agree to discontinue operation of their own radio station in return for permission to operate television transmitters at Harmon Field and Goose Bay.

12. *In the course of discussion* the following points emerged:

(a) An amendment which had been made to the Radio Act a few years ago was described to Parliament as being intended to permit persons who were not British subjects to operate radio stations in Canada for defence purposes only. It was clear that the television transmitters desired by the U.S. Armed Forces did not come within this intention, even if they came technically within the law itself.

(b) One of the suggestions made by Mr. Pickersgill was that the Canadian Broadcasting Corporation might itself be the licensee for the proposed new television transmitters and that some arrangements might be made by the corporation for the actual operation of the stations by U.S. Armed Forces personnel. This might obviate the necessity of amending the Radio Act.

(c) It might be possible to have some sort of closed circuit arrangement for all these bases which would effectively prevent the coverage of the new stations from being extended beyond the limits of the military camps.

(d) The main objection of substance to these U.S. stations was that they cut into the area of the private stations operated at St. John's and thereby made it less feasible financially to operate those stations successfully.

13. *The Cabinet* noted the report by Mr. Pickersgill on conversations he had had with the Ambassador and the Minister of the United States at Ottawa about the U.S. request for permission to establish and operate television transmitters at Argentia, Harmon Field and Goose Bay in Newfoundland and deferred decision pending further consideration at a subsequent meeting.

...

357.

PCO

*Extrait des conclusions du Cabinet**Extract from Cabinet Conclusions*

TOP SECRET

[Ottawa], December 21, 1955

...

OPERATION OF TELEVISION TRANSMITTERS AT U.S. MILITARY
INSTALLATIONS IN NEWFOUNDLAND

19. *Mr. Pickersgill* referring to discussion at the meeting of October 12th, 1955 suggested a reply along the following lines to the U.S. request for television stations on the leased bases in Newfoundland.

No arrangements for Argentia and Fort Pepperell, which were already served by the existing television station at St. John's, could be considered. As regards Harmon Field, the U.S. authorities could be allowed to install and operate a station under the supervision and control of the Canadian Broadcasting Corporation, with the corporation itself holding the licence. The station would be part of the national network and one-third of its broadcast material would be provided by the C.B.C. If desired, a similar arrangement could be made for Goose Bay. These arrangements would be only on the understanding that the sound broadcasting now carried on without a licence at the U.S. leased bases would be stopped when this new television service came into operation.

He added that opinions differed on how much of the Argentia base was covered by the St. John's station. However, he was quite sure the owners would be willing to adjust their facilities to provide good reception for the whole of the camp, provided that no licence were given to the U.S. authorities. By doing this, not only would there be adequate service for U.S. personnel but also for many more Canadians in the surrounding district. It was more than likely that the C.B.C. would approve these plans for expanded coverage.

20. *Mr. Howe* said he had recently received strong representations from the U.S. Secretary of Defence about the establishment of television stations in Newfoundland, particularly at Argentia. These would be of low power and the programmes would not be seen very far beyond the boundaries of each base. The Americans did not make this kind of request very frequently. If it could be agreed to, it would facilitate the settling of much more important matters of greater interest to Canada.

21. *In the course of discussion* the following points emerged:

(a) When the owners of the existing St. John's station were granted a licence they were properly under the impression that they would be allowed to obtain the maximum possible coverage in the area. Television in Newfoundland was a precarious venture at best. Licensing even a low power station at Argentia would reduce the number of viewers of the St. John's station and therefore lead to a substantial cut in its advertising revenue.

(b) Present television licensing policy permitted the establishment of only one station in any one area. It would be impossible to justify substantial overlapping by an American station in Canada when Canadians were not allowed the same rights in other parts of the country.

(c) Newfoundland was the newest province, many of whose residents had not yet developed a close attachment to Canada. The establishment of a U.S. television station at Argentia, which would be seen by people beyond that base, as well as by civilians working on the base itself, would only add considerably to the problems of integrating the province.

(d) U.S. television installations at Harmon Field and at Goose Bay would not present the same difficulty as a station at Argentina. It was doubtful if Canadian stations would be set up there, at least for some time. Furthermore, the American authorities at these other two bases would supply a reasonable proportion of Canadian material in their programmes for the benefit of the local population. The Department of National Defence had no objection to a station at Goose Bay, provided they were not involved in any way in its management.

(e) At Argentina, half the people had good reception on their receivers and the other half did not. There was nothing more frustrating than being in a television fringe area. It was better to have no service at all rather than an inferior one. If the St. John's licensees were not willing to improve their service to a point where the U.S. authorities were satisfied, the matter should be considered again. Meanwhile, it would be worth approaching the U.S. on the basis of the Minister's proposal.

22. *The Cabinet* agreed,

(a) that the United States be informed that the Canadian government was prepared to authorize the establishment by U.S. authorities of television stations in Newfoundland at the Ernest Harmon Air Force leased base near Stephenville, and at Goose Bay, on the understanding that the Canadian Broadcasting Corporation would hold the licence in each case, and that the programme would contain a reasonable proportion of Canadian material;

(b) that no television installation could be permitted at the U.S. naval station at Argentina, Newfoundland, but that the licensee of the St. John's transmitter would be requested to install a "booster" to give coverage to this base to the satisfaction of the U.S. authorities; and,

(c) that it be indicated to the United States that the Canadian Government would prefer, once these television arrangements were in effect, that the sound broadcasting now carried on at the U.S. leased bases in Newfoundland be terminated.

...

SECTION J

STATIONS DE SONDAGE EXPÉRIMENTALE EXPERIMENTAL SOUNDING STATIONS

358.

DEA/50291-A-40

*Note du sous-secrétaire d'État aux Affaires extérieures
pour le secrétaire d'État aux Affaires extérieures*

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

TOP SECRET

[Ottawa], July 7, 1955

SOUND SURVEILLANCE STATIONS

You will recall that in May 1954 we entered into an agreement with the United States for the establishment and operation of a joint Royal Canadian Navy-United States Navy experimental sound surveillance station at Shelburne, Nova Scotia.⁸⁰ Under the agreement the United States Navy built the station (using Naval construction battalions) and the two

⁸⁰ Voir/See Volume 20, Document 505.

Navies share responsibility for its manning, the R.C.N. supplying the commanding officer and 50% of the staff. The agreement also provided that after a period of evaluation which was not expected to exceed three years Canada would have the right at any time on one year's notice to take over complete responsibility for the operation and manning of the station.

2. Since that time there has been discussion in the P.J.B.D. about the proposed construction of two additional stations — one at Cape Canso, Nova Scotia, and the other at Cape Cook, Vancouver Island. Some months ago the Canadian Government authorized surveys to be carried out for these two additional stations without prejudice to a decision on their construction.

3. In the course of the discussions in the P.J.B.D. the Canadian Section indicated that it would not look with favour on the use of Naval construction battalions if it were decided to proceed with the building of these stations. At the January 1955 meeting of the Board the Canadian Chairman stated "it would be very desirable that plans should therefore be based on flexible fiscal arrangements so that the construction might be accomplished by means appropriate to the particular circumstances of each case".

4. In April of this year the State Department called in an officer from our Embassy in Washington and proposed that the United States should supply the very expensive deep sea cables which are required for the stations and the special detection equipment, that the two countries should jointly take care of the installation of the equipment, and that Canada should erect the buildings. The estimated cost to Canada would be about \$3 million.

5. This proposal was referred to the Department of National Defence and in June Mr. Drury commented as follows:

"On the basis that these two stations would cost approximately \$4 to \$6 million each, there might not be too much financial difficulty in agreeing to an equal division of costs. I had in mind, however, that the precedent for these two would certainly be extended to further stations of this character which are now in contemplation and might also serve as a precedent for further possible air defence installations.

"I think, therefore, it is important that we try and get a look at the overall picture and try and evolve a policy which will be generally applicable to all proposals of this sort.

"I suggest, therefore, advising the United States authorities that we are still considering this question and may not be able to provide a definitive reply for some time. If it is necessary to proceed with these at an early date, perhaps the United States might undertake their construction on the understanding that the division of costs would be settled at a later date."

6. I replied to Mr. Drury that the Department of External Affairs would advise the United States authorities that their proposal was still under consideration and that it might not be possible to provide a definite reply for some time. I added, however, that this Department was reluctant to accept his further suggestion that if it is necessary to proceed with the construction of the stations at an early date the United States might undertake this on the understanding that the division of costs would be settled later. I said that we did not believe it to be desirable for the project to be launched until the position with respect to Canadian participation is settled both in respect of construction and of manning. Moreover, if the Americans were authorized to proceed in the absence of a Canadian decision on these matters it would be difficult for us to reject the request which they would no doubt make for permission to use Naval construction battalions in building the stations.

7. On July 6, I received a letter from General Foulkes,† copy attached, which argued that this system of submarine detection was still of an experimental character and that Mr.

Campney was not prepared to concur in the Americans' suggestions at this time for the following reasons:

(a) because of the doubt about the size of the defence vote in the coming year it would not be prudent to accept additional financial commitments at this stage;

(b) the R.C.N. has not yet put forward to the Chiefs of Staff any proposals for sound surveillance stations to cover the Canadian approaches, and it has not yet been established that there is a Canadian requirement for these stations;

(c) any such arrangement as that suggested by the United States might create a precedent for other United States defence requirements in Canada and until such time as we have had an opportunity to study all the U.S. defence requirements it is not considered prudent to establish a rate of manning or a proportion of sharing costs on these Naval projects.

8. General Foulkes then suggests that in order not to hold up the United States proposals for the two additional stations, the Chairman of the Canadian Section of the P.J.B.D. should be authorized to indicate to the U.S. Section that Canadian officials would be prepared to recommend to the Government the construction of these two additional stations on the same basis as for the Shelburne station. This would mean that the United States would pay the whole cost of construction and installation and that, during a period of evaluation of up to three years, the R.C.N. would provide the commanding officer and half the staff. The arrangements to be in effect after that time would be dependent upon the decision of the Canadian Government. In his letter General Foulkes did not refer to the manning arrangements I have just mentioned but in a subsequent telephone conversation with Mr. Wershof he asserted categorically that these were the arrangements which National Defence would follow.

9. In his letter General Foulkes suggested that General McNaughton might urge the Americans not to propose the use of construction battalions for the Canso station but that the same objection might not apply in the case of the station on Vancouver Island because of its inaccessibility. In his conversation with General Foulkes, Mr. Wershof said that if External Affairs did agree to General Foulkes' proposal that we would seek, at least in the first instance, to persuade the Americans to use civil contractors for both stations and that, if the Americans put forward strong arguments in favour of using construction battalions on the West Coast, we could consider them further.

10. A point which we should bear in mind is that if the system is successful the Americans are likely to propose the construction of up to four additional stations in Canada.

11. I should be grateful if you would let me know whether you are agreeable to the suggestion made by the Department of National Defence or whether you prefer to have the matter considered first by Cabinet or Cabinet Defence Committee.⁸¹ In this case General McNaughton would merely state that the matter is under study by the Canadian Government and that a statement would be made later.⁸²

J. L[ÉGER]

⁸¹ Note marginale :/Marginal note:

I think that this is a matter which should first be considered by Cabinet Defence Committee. L.B. P[earson]

⁸² Note marginale :/Marginal note:

July 11 I told Gen. Foulkes the Minister's decision. M. W[ershof]

359.

PCO

*Extrait du procès-verbal de la réunion
du Comité du Cabinet sur la défense*

Extract from Minutes of Meeting of Cabinet Defence Committee

TOP SECRET

[Ottawa], September 27, 1955

Present:

The Prime Minister, (Mr. St-Laurent), in the Chair,
 The Minister of Defence Production (Mr. Howe),
 The Minister of National Defence (Mr. Campney),
 The Secretary of State for External Affairs (Mr. Pearson),
 The Minister of Justice (Mr. Garson),
 The Minister of Finance (Mr. Harris).
 The Secretary (Mr. Martin) .
 The Military Secretary (Captain Lucas)
 The Chairman, Chiefs of Staff (General Foulkes),
 The Chief of the Naval Staff (Vice Admiral Mainguy),
 The Chief of the Air Staff (Air Marshal Slemon),
 The Chief of the General Staff (Lieutenant-General Graham),
 The Chairman, Defence Research Board (Dr. Solandt).
 The Secretary to the Cabinet (Mr. Bryce),
 The Deputy Minister of National Defence (Mr. Miller),
 The Under-Secretary of State for External Affairs (Mr. Léger),
 The Deputy Minister of Defence Production (Mr. Golden),
 The Assistant Deputy Minister of Finance (Mr. Deutsch).

. . .

IV. SOUND SURVEILLANCE STATIONS

13. *The Minister of National Defence* said that the Royal Canadian Navy was presently sharing with the U.S. Navy the manning of a sound surveillance station at Shelburne, N.S. Before this station was completed the United States asked permission to make surveys for two additional stations which would extend a chain covering the full length of the U.S. coast line. When the Shelburne station was constructed, the United States had been given permission to use Naval construction battalions, but this was limited to one year and was not to be regarded as a precedent for other installations.

The United States had now asked for formal consent to construct two additional stations, one in the Cape Canso area of Nova Scotia and one near Winter Harbour, Vancouver Island. In seeking approval for these projects, the U.S. suggested that the various components of the costs might be shared and that each station be manned with fifty per cent Canadian personnel. If this pattern were followed the cost to Canada would be from \$2 3/4 - \$3 million. The U.S. had expressed the hope that a decision on this matter would be made by October 1st.

The LOFAR technique employed in the surveillance chains was still in an experimental stage and as yet it had not been established that there was a Canadian use for the stations. The financial and manning proposals made in this instance might create a precedent for other U.S. defence requirements in Canada and, in the circumstances, he did not consider it prudent to agree to them. However, in order not to hold up U.S. plans, he suggested that the two new stations be allowed to proceed under the same terms and conditions as were agreed to for the Shelburne installation, except that local labour and not naval construction battalions should be employed at the Canso station.

An explanatory memorandum had been circulated.

(Minister's memorandum, August 10, 1955, Document D19-55†)

14. *During the course of discussion* the following points emerged:

(a) If the LOFAR technique was still experimental, the work might just as well be done in the United States rather than on Canadian soil. On the other hand, it was pointed out that the proposed installations at Canso and at Winter Harbour formed part of the chain which, if it were successful, would improve immeasurably detection of enemy submarines and lead to a complete revision of coastal defences. Furthermore, the experiment required a full chain to be established with stations on different parts of the coastline and covering waters of varying depths. Unless there could be operational trials of the system on the whole coastline it would not be of much use.

(b) Research on LOFAR had been undertaken some years ago, commencing at a station in Bermuda. It depended for success on a delicate type of sound detection, and to be effective the system had to have several stations providing cross bearings which were supposed to provide detection in deep water. The British were developing a system known as CORSAIR for detection in shallow water. Cooperation between the navies of the three countries in this field was closer and apparently more productive than in most other defence research matters.

(c) It was indicated that if the U.S. had not undertaken this programme, the R.C.N. would have given it high priority.

(d) Compared to the air defence installations, sound surveillance stations were much cheaper and appeared to be the type of project which Canada could do itself. There were occasions from the national standpoint when such joint defence installations should be undertaken completely by Canada and this appeared to be one of them.

15. *The Committee* approved the recommendation of the Minister of National Defence and agreed that the United States be authorized to negotiate for the construction of two sound surveillance stations in the Cape Canso area of Nova Scotia and near Winter Harbour on Vancouver Island, in accordance with the same conditions governing the establishment and operation of the station at Shelburne, N.S., on the understanding that local labour would be employed for the construction of the Canso station, and not a U.S. naval construction battalion.

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360.

DEA/50291-A-40

*Le sous-secrétaire d'État aux Affaires extérieures
au sous-ministre de la Défense nationale*

*Under-Secretary of State for External Affairs
to Deputy Minister of National Defence*

SECRET

Ottawa, November 9, 1955

EXTENSION OF THE SOUND SURVEILLANCE SYSTEM

On September 27, 1955, Cabinet Defence Committee agreed to authorize the United States to establish two sound surveillance stations, one near Cape Canso, Nova Scotia, and the other near Quatsino Sound, Vancouver Island on terms similar to those embodied in the exchange of notes of May 1-May 6, 1954 authorizing the establishment of a station at Shelburne, Nova Scotia.

It will be recalled that the Government authorized the construction of the Shelburne Station by United States naval military construction battalions using materials provided from United States Government stocks. In the case of the two new stations, the United States Government has been informed that the Canadian authorities hoped that it would be possible to have construction work carried out by civilian contractors. However, it is recognized that in the case of the station in British Columbia its isolated location may make the use of naval construction battalions desirable.

On October 28 the United States Embassy gave to the Department of External Affairs a draft note† and annex† (copy attached) which the Embassy proposed should serve as the statement of conditions governing the establishment and operation of the two new stations. External Affairs' comments on the draft statement of conditions are as follows (numbers correspond to the paragraph numbers in the draft statement of conditions):

1. *Sites.* This paragraph follows the pattern used in other agreements of this type. External Affairs has no comment.

2. *Plans.* This paragraph is identical to that in the Distant Early Warning agreement. The only question is whether the word "airstrips" is needed. Perhaps this should be changed to "Helicopter pads".

3. *Construction.* Paragraph 3(a) is intended to provide for the contingency that naval construction battalions may be used. Paragraphs 3(b) and (c) are identical with those used in other agreements of this type except that in paragraph 3(c) the requirement that rates of pay and working conditions will be set "after consultation with the Canadian Department of Labour" have been omitted. The U.S. Embassy said that these words had been left out because the rates were always higher than required by the Fair Wages and Hours of Labour Act.

4. *Electronic Equipment.* This paragraph is similar to that in the Shelburne agreement.

5. *Financing.* This paragraph represents a considerable departure from the Shelburne agreement since it provides that after completion of initial construction of the stations by the United States, full cost of maintenance, other than special equipment and parts, will be the responsibility of Canada. Acceptance of this provision would seem to require approval by Cabinet Defence Committee.

6. *Operation and Manning.* This paragraph departs from the Shelburne formula in that it puts the basic responsibility for manning and operating the station on the Royal Canadian Navy rather than the United States Navy. It would seem that acceptance of this provision would also require approval by Cabinet Defence Committee.

7. *Period of Operation of the Stations.* The Shelburne agreement was based on the assumption that the station was experimental. Continued operation was therefore guaranteed only for a period of evaluation which was estimated to be approximately three years. In this case, the United States has proposed the same formula that has been applied to the DEW Line agreement and a number of other projects of this nature, guaranteeing operation for a 10-year period. This seems reasonable to the Department of External Affairs but since it departs from the Shelburne formula it will presumably have to be approved by Cabinet Defence Committee.

8. *Ownership of Removable Property.* This paragraph is the same as that in the Shelburne agreement. However, we intend to propose to the U.S. Embassy the addition of a sentence stating that the disposal of U.S. excess property in Canada shall be carried out in accordance with the Canada-U.S. Agreement Concerning the Disposal of Excess Property.⁸³

⁸³ Voir Canada, *Recueil des traités*, 1951, N° 9./See Canada, *Treaty Series*, 1951, No. 9.

9. *Radio Installations.* No External Affairs comment.

10. *Taxes.* This paragraph is the same as that in a number of radar agreements. No External Affairs comment.

11. *Canadian Immigration Customs Regulations.* This paragraph is the same as in other agreements of this type, except for the addition of the word "contract" in the second line of sub-paragraph (a). The Embassy's reason for putting in this word is obscure and we intend to ask that it be deleted.

The remaining paragraphs of the draft are standard for agreements of this type.

It will be seen from the foregoing that the only questions of substance are those in paragraphs 5, 6 and 7. It is suggested that the Department of National Defence might wish to submit to Cabinet Defence Committee its recommendations on these questions, which are not in accord with the Shelburne agreement. In the meantime, I should be grateful for the comments of the other departments concerned on those features of the draft which are of particular concern to them.

G. IGNATIEFF
for Under-Secretary of State
for External Affairs

SECTION K

INSTALLATIONS DU RÉSEAU DE TÉLÉCOMMUNICATIONS DES ÉTATS-UNIS UNITED STATES COMMUNICATIONS FACILITIES

361.

DEA/3682-40

*Le sous-ministre de la Défense nationale
au sous-secrétaire d'État aux Affaires extérieures*

*Deputy Minister of National Defence
to Under-Secretary of State for External Affairs*

SECRET

Ottawa, February 7, 1955

Dear Sir:

RE MANNING OF COMMUNICATIONS STATIONS IN EASTERN CANADA

Your letter of 23 November 1954⁸⁴ recommending a policy for the manning of a U.S.A.F. communications facility at Gander has been studied in the light of:

(a) General Twining's letter of 22 November 1954 to Air Marshal Slemon (copy attached†).

(b) U.S.A.F. plans for overseas ionospheric scatter circuits, and

(c) Your letter of 23 November 1954 to Chairman, Chiefs of Staff, † concerning the Commercial Cable Company's proposed voice and telegraph cable from U.S. to U.K. via Nova Scotia, Newfoundland, Greenland and Iceland. (Reply not embodied herein.)

The attached map (Appendix "B"†) of major U.S.A.F. existing and proposed multi-channel long-haul communications through Eastern Canada shows that these circuits:

⁸⁴ Voir/See Volume 20, Document 498.

(a) are being, or will be, used to carry U.S. traffic across Canada to the territories of third powers.

(b) are parallel to existing or required communications of our Government (See Appendix "A"†).

There are, additionally, considerable numbers of U.S.A.F. high-frequency and low-frequency point-to-point circuits already established in the same area. Many of these are multi-channel, and some are parts of U.S. international networks.

From a meagre beginning, and by asking for a circuit here today and another somewhere else tomorrow, the U.S. has gradually built itself a great network of North Atlantic communications based largely on Eastern Canadian soil. Although this uses the best available sites at many Canadian bases and has required the assignment of numerous Canadian frequencies from our limited holdings, it carries little or no Canadian traffic and is entirely under U.S. control.

Scatter and cable techniques are capable of giving reliable communications in the aural belt which covers much of Northeastern Canada and the North Atlantic. The conventional high-frequency and low-frequency radio circuits employed by our own Government in these areas are subject to serious disruption by magnetic storms and are, of course, prone to jamming. The Defence Research Board and the Services are turning their attention to the scatter techniques and have no doubt that the answer to many Canadian communications problems lies in this direction. Canadian manufacturers and operators must obtain experience in this field soon. Meanwhile, little by little, as one urgent demand has followed another, many choice sites and frequencies have been yielded and U.S. equipment has been installed in all sites.

I need hardly say how concerned I am about the mushroom growth of these foreign-owned international communications in our own defence area. All are legitimate requirements in the NATO defence arrangements, but the ownership and control of the circuits should be re-examined on the basis that any country's self-reliance is bound up with its ability to control the communications within its own boundaries. This is true, it seems to me, not only of military circuits but also of civil government and even commercial facilities.

I recommend that we consider taking over not merely the manning of one or two of the U.S.-owned scatter stations, but the ownership and control of all the U.S. long-haul communications facilities in Canada.

For both tropospheric and ionospheric scatter circuits, the following proposals appear in order of preference:

- (a) Service ownership and maintenance.
- (b) Service ownership: civil maintenance.

Because the Services are already over-extended in the technical field, (a) could not prove practicable within the next five years. Alternative (b) appears feasible and should be discussed at a meeting of interested departments. If the maintenance and technical operation could be done by the Canadian Overseas Telecommunications Corporation or by the Canadian National Telegraphs, full governmental control would be achieved and franchise rights in Newfoundland would not be violated.

Purchase of the scatter facilities will be costly. However, this purchase cost could be amortized over the next seven or ten years and much of it, together with maintenance costs, could be charged back to the U.S. on the basis of their proportionate use of available circuits (probably not less than seventy-five per cent). Alternatively, since many of these

facilities have been installed as part of the radar extension plan, the one-third/two-thirds term of the Pinetree Note might be used in relation to these to ensure that Canada's one-third expenditure buys ownership and control of items of international significance and continuing peacetime importance such as communications, while the U.S. two-thirds provides facilities primarily of wartime use and of a geographically limited role, such as the heavy radars and their gap-fillers.

The coaxial cable proposed by Commercial Cable Limited, roughly parallels the northern overseas scatter circuits. I understand the company is being authorized, in so far as Canada is concerned, to proceed with this project, subject to certain restrictions on the acceptance of traffic of Canadian origin. If this cable remains under U.S. control, the USAF communications could be transferred to it and the scatter circuits made ineffective by closing the U.S. relays in Greenland and the Azores.

To guard against this, it would seem wise for Canada to have some positive and absolute control over at least those portions of the cable lying in Canadian waters or traversing Canadian soil. The costs of this could presumably be recovered on the same basis as for the scatter circuits.

Pending the outcome of the interdepartmental discussions proposed above and Cabinet decision on the recommendations resulting therefrom, Air Marshal Slemon has advised General Twining that the Gander station may be opened by the use of U.S.A.F. personnel, without prejudice to the future manning of this and other scatter facilities (copy attached†). Meanwhile, I suggested that the Government press forward with plans for early Canadian manning of the Gander station in order to begin acquisition of first-hand experience of the scatter technique by whatever agency is to be given responsibility in this field.

A copy of this letter is being forwarded to Mr. Baldwin.

Yours sincerely,
C.M. DRURY

362.

DEA/3682-40

*Rapport du chef du Groupe de travail sur les aspect civils
et militaires de la politique de télécommunications,
pour le Comité Ad Hoc sur la politique de télécommunications*
*Report by Chairman, Working Group on Civil and Military Aspects
of Telecommunications Policy,
for Ad Hoc Committee on Telecommunications Policy*

SECRET. CANADIAN EYES ONLY.

[Ottawa], August 18, 1955

1. The Working Group on Civil and Military Aspects of Telecommunications Policy, established at the direction of the Secretary to the Cabinet and with the approval of the Deputy Ministers of National Defence and Transport and the Under-Secretary of State for External Affairs, has made a survey of the various communications systems in Canada that are owned and operated by the United States with a view to determining the probable effect upon Canada's telecommunications interests, now and in the future, of large scale American developments in this country. The Working Group has held seven meetings and has carried out a number of technical studies essential to an intelligent analysis of the overall problem. These studies have progressed to the point where it is now possible to make this report to the Ad Hoc Committee on Telecommunications, and to suggest ways and means whereby these U.S. developments might be controlled in the national interest.

2. For the convenience of the Ad Hoc Committee in considering the results of these studies, the nature of the problem and the conclusions of the Working Group are summarized here. The various communications systems and the technical matters discussed by the Working Group are described in detail in the Annex.† The extent and potential capabilities of the principal systems maintained by the United States in Canada are graphically illustrated in Appendices A to J inclusive.†

3. While it is true that these developments are progressive and that the pattern is constantly changing, the Working Group hopes that this report and the attachments may provide a reference paper for use, at least, in the immediate future. The basic principles inherent in the plans and in the systems themselves will remain more or less constant, and the main difficulty will be to keep abreast of technical developments whenever communications policy is under discussion. (In this connection, attention is drawn to the fact that the technical data set out in the various sections of the Annex and in the Appendices, while based on the latest information, available at the date of this report, is subject to change).

4. In carrying out its assigned task, the Working Group has taken into consideration the known proposed plans of the United States interests involved, with emphasis on the intended location of any new installations or systems, the existing and future civilian requirements of the area to be covered by each U.S. proposal, the relationship of any particular proposal to the existing United States installations (which have been approved in the normal way) and the need for a long term progressive development of communication facilities to meet both civil and military needs. In addition, some attention has been given to such special aspects as the arrangements for financing *Operation Pinetree* and to such administrative and technical matters as the present system of controls and licensing maintained by the Department of Transport (following the repeal of the Emergency Powers Act) and the problems involved in controlling the use of radio frequencies.

5. The pattern of communications now developing in isolated parts of Canada, particularly in the North and East, is based on Canada/U.S. military requirements. The build-up of these military communications has produced a confused situation which could have a permanently unfavourable effect on the orderly development of Canada's telecommunications interests. We believe it to be in the national interest that communications in these areas be coordinated and developed with a view to meeting the integrated requirements of all users, civil as well as military, Canadian as well as American. The requirement for communications in and through these areas will continue beyond the period in which the requirement is predominantly a military one and ultimate Canadian ownership and operation must be contemplated as an outgrowth of normal economic development. Because of the physical and economic problems involved the best approach would seem to be through gradual assumption by Canada of responsibility for these communication systems, so that the right measure of control may be acquired on a progressive basis commensurate with our ability to take over and operate these facilities in the interests of all concerned. We think this can be done with careful planning.

Conclusions and Recommendations

6. The studies of the Working Group, while not exhaustive, have nevertheless covered the major questions inherent in the terms of reference assigned to the Group. Our conclusions and recommendations are as follows:

(a) the application of statutory and technical controls, insofar as radio is concerned, as provided in existing legislation and deemed adequate for the purpose by the Department of Transport, is capable of dealing with any serious impediment to the development and control of Canada's overall communications interests. (However, it is essential to take note of

the fact that while the safeguards required to maintain control of this mushroom growth do, in fact, exist, any arbitrary application of them or any uncoordinated advance by Canadian entities into the ownership and management of these facilities might, in certain circumstances, be inimical to Canada's interests. We could conceivably be placed in a position where any breakdown in the development and/or operation of communications vital to the mutual defence arrangements of Canada and the United States might be attributed to Canadian interference. This would create an atmosphere in which orderly development of communications systems in these areas would be difficult if not impossible);

(b) Canadian agencies should insist that the U.S. authorities provide full technical data to enable the Department of Transport (in consultation as necessary with the Department of National Defence) to assess the technical implications of any proposal before issuing licenses;

(c) the United States should be informed that the purpose for which any project is approved is *exclusive*, and that uses for the facility other than those originally requested must be the subject of further agreement, through either the Permanent Joint Board on Defence or diplomatic channels;

(d) effective control of telecommunications facilities can be assured by Canadian ownership and operation;

(e) to ensure an integrated and effective programme of development and control, the acquisition of U.S. facilities in Canada should follow a progressive pattern of communications development in which Canadian entities participate, by stages, based on their capabilities and starting with the Northeastern system including POLEVAULT;

(f) the economic factors, manpower requirements and management problems involved in developing such a policy should be studied immediately to enable the Government to reach a considered view on this question. Consideration should be given to the methods which have already been developed in respect of the Northwest Communications System (see Section III, Annex I,) the object being to avoid large capital investment by some suitable plan for amortizing revenues over an appropriate period and under satisfactory arrangements with a suitable Canadian agency or agencies. Preferably, this should be a Government agency such as the Northwest Communications System;

(g) recognizing that the development of these communications systems to meet the integrated requirements of all users, civil as well as military, will need to be kept under constant observation, together with other associated problems, it would seem desirable to establish an interdepartmental advisory committee to follow their development and provide advice to the Government.

Summary

7. In brief, the Working Group has been concerned not so much with any challenge to Canada's commercial communications interests, either now or in the period following the lapse of any active military requirement for the facilities under review, as with the urgent need to ensure that U.S. sponsored telecommunications plans are compatible with the orderly development of the pattern of communications throughout the country.

8. We are of the opinion that an approach along the lines suggested above is capable of meeting this vital need.

E.F. GASKELL

363.

DEA/3682-40

*Note du chef de la Direction économique
pour le sous-secrétaire d'État adjoint aux Affaires extérieures*⁸⁵

*Memorandum from Head, Economic Division,
to Assistant Under-Secretary of State for External Affairs*⁸⁵

SECRET

[Ottawa], September 2, 1955

PROPOSED MEETING OF TELECOMMUNICATIONS COMMITTEE

As you will see from the attached correspondence,† there is expected to be a meeting of this Ad Hoc Committee at 11 o'clock on Tuesday, September 6. Will you be able to attend as in the past? I have gone over the material prepared by the Working Group and must say that on first reading I am not greatly impressed.

2. One of the things which seems to me to emerge clearly from the study is that a highly efficient communications system has been developed which would almost certainly not have come into being if we had been left to our own devices. We would have had little incentive, inadequate resources and insufficient technical knowledge to create such a network. Perhaps we should be just a little grateful that this system has come into being even though the United States may have been deeply involved in its creation and may still be participating in its operation.

3. I find little evidence in these papers that frequencies which we currently desire to use are being congested or monopolized by the United States in regions of current interest to us with the possible exception of Newfoundland.

4. I also have located nothing to indicate that the United States has really exceeded the limits of any concessions which we have made to them or that they have used military excuses for getting into this field for civil purposes. I think it still has to be shown that if the United States were to abuse these privileges in a manner which was objectionable to us, we could not withdraw them effectively. As you suggested in the earlier discussion, it would seem to be up to those who are urging a new course to demonstrate that it is not possible for us to tie down the Americans effectively with whatever conditions we choose to include in the intergovernmental agreements or understandings relating to these concessions. Possibly, we should have been more specific regarding such conditions in earlier arrangements and probably we should be quite precise about these matters in any subsequent understandings. That does not mean, however, that we have been, or are, incapable of stating our own terms and seeing to it that they are observed.

5. This Working Group has placed a good deal of emphasis on Canadian ownership and operation. Even if the term "Canadian" can be satisfactorily defined in this connection, it is not clear why such ownership and operation should necessarily be more effective than a carefully prepared and strictly enforced agreement concerning the activities of firms and agencies from the United States. The "Canadianizing" of the system would not necessarily work magic with respect to the efficient operation of the system, the avoidance of congestion, etc.

⁸⁵ Note marginale :/Marginal note:
Mr Macdonnell: We spoke M W[ershof]

6. I am not suggesting that we should oppose the views set out in this report but I think we should attempt at Tuesday's meeting to get the members of the Working Group to provide more evidence and argument in support of their conclusions.⁸⁶

A.E. RITCHIE

364.

DEA/3682-40

*Procès-verbal de la réunion du Comité Ad Hoc
sur la politique de télécommunications*

*Minutes of Meeting of Ad Hoc Committee
on Telecommunications Policy*

SECRET

[Ottawa], September 6, 1955

Present

Mr. R.B. Bryce (Chairman)
Secretary to the Cabinet
Mr. J.R. Baldwin
Mr. F.G. Nixon
Department of Transport
Mr. E.B. Armstrong
Department of National Defence
Air Vice Marshal M.M. Hendrick
Group Captain S.R. Burbank
Royal Canadian Air Force
Mr. R.M. MacDonnell
Mr. A.E. Ritchie
Department of External Affairs
Mr. R.G. MacNeill
Department of Finance
Mr. M.W. Sharp
Department of Trade and Commerce
Mr. B.G. Sivertz
Department of Northern Affairs and National Resources
Mr. E.F. Gaskell (Secretary)
Privy Council Office

The Committee had for consideration the report of the Working Group which had been directed to make a study of the civil and military aspects of large scale Canada/United States communications projects in this country with a view to determining the probable effect of these developments upon Canada's domestic and international telecommunications interests, now and in the future.

(Report of the Working Group on Civil and Military Aspects of Telecommunications, dated August 18, 1955, circulated for information).

2. *The Chairman* outlined the main problems, as reflected in the report of the Working Group, and said that it would be necessary to decide whether Canadian participation in the telecommunications projects now being developed in this country would create sufficient opportunity to promote Canadian interests to warrant any heavy financial commitment beyond our present obligations. It was for consideration whether the national interests

⁸⁶ Note marginale :/Marginal note:

Working Party of D[e]partment of] N[at]ional] D[e]fence] and D[e]partment of] T[r]ansport] is to prepare specific suggestions for a meeting by the last week of September A.E. R[it]chie]

really required us to "show the flag" by establishing ownership of these facilities, either wholly or in part, or whether the same purpose might be served by an arrangement whereby Canada reserved the right to purchase elements of the system or otherwise secure the national interest therein (e.g., by acquiring enough circuits to meet present and future needs). It would be desirable to examine the problem in the light of the approach made by the Working Group and then try to arrive at reasonable conclusions for the guidance of the Government in making a decision on this vital matter.

3. *Mr. Gaskell* said that the Working Group had been established primarily to examine a National Defence suggestion to the effect that these large scale developments actually constituted a serious threat to Canadian control of our own telecommunications interests. This aspect of the matter had been investigated with particular care, and the Working Group had concluded that the problem was not so much one of meeting an actual threat to Canadian control of these facilities as a matter of contriving and maintaining the means to ensure orderly development of the telecommunications services required to meet current and future needs, civil as well as military, in the areas affected.

4. The conclusions and recommendations of the Working Group, as expressed in its report under reference, were as follows:

(a) statutory and technical controls relating to radio, as provided in existing legislation, appeared to be adequate to enable the Department of Transport to deal with any serious impediment to the development and control of Canada's communications interests, including any difficulties arising from large scale military developments in this country;

(b) Canadian agencies should insist that United States authorities provide full technical data to enable the Department of Transport (in consultation, as necessary, with the Department of National Defence) to assess the technical implications of any proposal before issuing licenses;

(c) the United States should be informed that the purpose for which any project is approved is exclusive and that the facility in question may not be used for any purpose other than that stated in the original request, except by further agreement through either the Permanent Joint Board on Defence or diplomatic channels;

(d) effective control of telecommunications facilities can be assured by Canadian ownership and operation;

(e) to ensure an integrated and effective programme of development and control, the acquisition of United States facilities in Canada should follow a progressive pattern of communications development in which Canadian entities participate, by stages, based on their capabilities. (It was suggested that a start be made with the Northeastern system, including POLEVAULT);

(f) the economic factors, manpower requirements and management problems involved in developing such a policy should be studied immediately with a view to providing the information necessary to enable the Government to reach a considered decision on this question. (In this connection, it was suggested that consideration might be given to the methods used in respect of the Northwest Communications System, the object being to avoid large capital investment by amortizing revenues over an appropriate period);

(g) recognizing that the development of these communications systems to meet the integrated requirements of all users, civil as well as military, must be kept under constant review, together with other associated problems, it would seem desirable to establish an interdepartmental advisory committee to follow their development and provide advice to the Government.

5. *Air Vice Marshal Hendrick* said that management responsibility, as opposed to a purely operational role, was desirable and could easily be undertaken by Canada. It was always good business to establish ownership of one's own communications. Ownership might be vested in a Crown Corporation or in private companies. It might be desirable for the Government to purchase the facilities, wholly or in part, and then arrange to have them operated by commercial interests.

6. *Mr. Armstrong* suggested that it would be unrealistic to involve Canada in the heavy financial commitment required to establish ownership of these facilities simply for the sake of providing Canadian personnel with on-the-job training in the use of the new techniques. There were other and less expensive ways of achieving the same ends. For example, it would be relatively easy to arrange for Canadian contractors to work on the project during the construction phase and, later, to have Canadian personnel assume a fair share of the operational responsibility for the system.

7. It was noted that, according to the latest estimates, the rearward communications from the DEW Line to be built in *Canada* might cost as much as \$50 million. Earlier estimates, based on various criteria, had ranged from \$15 million to \$70 million.

8. *Mr. Baldwin* expressed the view that Canadian ownership and operation of these facilities was essential if the objectives set out by the Working Group were to be achieved. The degree of ownership would depend, in part, on the methods employed to bring about these objectives. It was in *Canada's* interest to take all possible steps to ensure that, in so far as possible, Canadian entities were placed in a position to operate and maintain facilities of this kind.

9. *Mr. MacNeill* agreed, in principle, that *Canada* should assume a major share of the operational responsibility for telecommunications services developed in this country. It would be desirable to have Canadian commercial entities rather than Government agencies take up these functions and operate the system.

10. *Mr. Armstrong* said that agreement on a long term communications plan for *Canada* was a pre-requisite for any serious recommendations respect of the problem now before the Committee. It would then be possible to decide how and to what extent we should attempt to adapt a military system to possible commercial use. In any event, a long term communications plan was very much to be desired.

11. *The Chairman* observed that it would be unrealistic to ask the United States to amortize all or any part of *Canada's* investment in what was essentially a joint undertaking for the defence of the two countries. It would be desirable to approach the question of increased Canadian financial participation with some caution, and recommend action along these lines only after it had been established that Canadian interests could not be secured in any other way. He was not convinced that a case had been made for heavy Canadian capital investment at the present time.

He expressed the view that if *Canada* wanted to secure the right to allocate circuits in the system in accordance with our own idea of priorities, it might be necessary to own the system, or a part thereof, and pay a fair share of the cost. All the factors would have to be considered.

12. *Mr. Armstrong* made a further point to the effect that it would be unrealistic to deal with this problem out of context and that in proposing a course of action for the consideration of the Government, the Committee should base its recommendations on a plan that would apply uniformly in respect of the DEW Line or any similar enterprise. It would be in the national interest to achieve and maintain a measure of consistency in dealing with problems of this kind.

13. *In the ensuing discussion*, it was noted that jurisdictional control over these communications, as opposed to any form of control pro rated to Canada's financial investment in the system, would have many advantages. There was a question of sovereignty, but in the special circumstances governing these joint undertakings, sovereignty could not be the sole factor in resolving the problems at issue. Canada should at least have an option to purchase at a price based on the depreciated value of the facilities whenever the United States might decide to abandon its interests therein, either wholly or in part. (The right to acquire ownership of these facilities in the right of Canada is secured by terms of the agreement between the Governments).

In putting forward recommendations designed to protect Canada's interests in this matter, care should be taken to ensure that:

(a) the existing and/or projected facilities were adequate to meet all anticipated communications requirements;

(b) Canada had the right to make whatever modifications might be necessary to take care of any needs that might develop in the future;

(c) enough circuits were secured to meet all Canadian requirements.

14. *It was agreed*, after further discussion, that representatives of the Department of National Defence and the Department of Transport should meet, as a sub working group, to develop firm proposals, based on the views expressed at the meeting, for further study by the Ad Hoc Committee.

15. *It was further agreed* that the Ad Hoc Committee should meet again in about three weeks' time in an endeavour to get a submission ready for presentation to Cabinet.

E.F. GASKELL

365.

DEA/3682-40

*Procès-verbal de la réunion du Comité Ad Hoc
sur la politique de télécommunications⁸⁷*

*Minutes of Meeting of Ad Hoc Committee
on Telecommunications Policy⁸⁷*

SECRET

[Ottawa], September 26, 1955

Present

Mr. R.B. Bryce,
Secretary to the Cabinet (Chairman)
Mr. J.R. Baldwin,
Mr. F.G. Nixon,
Department of Transport
Mr. E.B. Armstrong,
Department of National Defence
Air Vice Marshal M.M. Hendrick,
Air Commodore C.L. Annis,
Group Captain D. Gooderham,
Royal Canadian Air Force

⁸⁷ Notes marginales :/Marginal notes:

Note for File: I pointed out to Gaskell that I did not think para[graph] 12(b) accurately reflected the conclusion reached. Gaskell undertook to look into this and possibly to issue an amendment to the minutes. W.H. B[arton]

Amended at the meeting on July 16, 1956 [Auteur inconnu/Author unknown]

Mr. W.H. Barton,
Mr. J.F. Grandy,
Department of External Affairs
Mr. R.G. MacNeill,
Department of Finance
Mr. H.A. Hadskis,
Department of Trade and Commerce
Mr. G.W. Rowley,
Mr. B.G. Sivertz,
Department of Northern Affairs and National Resources
Major J.C. Morrison,
Privy Council Office
Mr. E.F. Gaskell,
Privy Council Office (Secretary)

The Committee had for consideration recommendations prepared by a Sub-Working Group of representatives of the Departments of National Defence and Transport, in accordance with the directive of the meeting of the Ad Hoc Committee held on September 6th, 1955. (See annex).

2. *The Chairman* said that these proposals constituted a useful basis for further examination of the problems involved in determining what measure of control Canada should assume in respect of large scale Canada/U.S. military communications projects in this country. Basically, the proposals made by the Sub-Working Group involved authorizing the United States to proceed with their plans for the provision of these facilities on the clear understanding that Canada reserved the right to purchase and operate the communications system, either wholly or in part, after the period of initial testing.

3. *Mr. Baldwin* said that he was in general agreement with the proposals advanced by the Sub-Working Group and that while some modifications of the proposed approach might be desirable it would nevertheless constitute a useful starting point for discussion.

4. *Mr. MacNeill* suggested that it might be desirable to establish a holding company to assume ownership of all the facilities, and rent them out or sell them, as the case might be, to commercial entities. Such an arrangement would have certain obvious advantages from the standpoint of administrative and financial control.

5. *Mr. Armstrong* had reservations as to the validity of the assumption that Canadian ownership was an essential prerequisite for exercising control over these communications facilities. The requirement might be met if Canada merely reserved the right to take over the facilities whenever this might be desirable.

6. *Mr. Barton* stressed the importance of ensuring that Canada had a sufficient number of trained personnel available whenever a decision was taken to acquire ownership or exercise operational control in respect of any or all of these facilities. It was conceivable that we might be placed in an embarrassing position in the event of our inability to provide the trained personnel necessary for this task.

7. A question arose as to whether Canada's bargaining position might be weakened by proposing that commercial companies own these facilities rather than a Crown Company or Government Department (e.g., Transport), especially as the facilities in question would be used primarily for Government sponsored purposes, civil and military.

8. *The Chairman* suggested that it would not be to Canada's advantage to adopt any inflexible policy in this respect, and that the procedural questions to be resolved before a decision was taken to acquire ownership of these facilities would require very careful study.

9. *Air Commodore Annis* described Air Traffic Control (ATC) methods as a means of demonstrating the extent to which the facilities under discussion might be considered as being used for commercial purposes. He discussed the basic principles inherent in DEW line identification procedures, and noted that primary identification of aircraft would be made on the line itself. The heaviest volume of identification message traffic would undoubtedly occur in Northeastern Canada, and it was noteworthy that the bulk of this traffic would consist of ATC messages of non-military origin.

10. *In the ensuing general discussion*, it was noted that there were two major reasons for considering an arrangement involving the payment of capital charges in respect of the acquisition of the communications system. There was a political consideration. In addition, undisputed operational control would place Canada in an infinitely better bargaining position in relation to future developments.

11. *Group Captain Gooderham* suggested that use of the term "operator" in relation to the system under discussion was entirely misleading. The only persons in actual control of the facilities at field points would be technicians who might be classed as operators. This brought the discussion right back to the question of ownership. For example, POLEVAULT was being maintained by Marconi — a Canadian Company — but they exercised no control whatsoever over the system and it had been impossible for Canada to obtain the use of circuits in this system.

12. *It was agreed*, after further discussion:

(a) to recommend to the Cabinet Defence Committee that, in respect of the communications facilities inherent in these large scale Canada/United States military developments, Canada should reserve the right to acquire title to United States interests in the system, or any part thereof, on reasonable notice and on terms to be negotiated between the parties, with a specific undertaking on the part of Canada to make circuits available to the United States as required for military purposes;⁸⁸

(b) that it should be made clear in all negotiations with the United States relative to these communications projects that Canada reserved the right to acquire a fixed proportion of the available circuits, beyond the minimum requirements of the DEW line itself, for the accommodation of Canadian users;⁸⁹

(c) that the original Working Group should make a study of the practical application of the principle set out in para. 12(a) above in relation to a specific case (e.g., POLEVAULT), with emphasis on the actual terms of the option to be exercised by Canada in such cases.

13. *The Committee* agreed to meet again in about three weeks' time to consider the report of the Working Group in respect of the option to be exercised by Canada in acquiring title to any or all of these communications facilities.

E.F. GASKELL

⁸⁸ Cela a été brièvement examiné au Comité du Cabinet sur la défense, le 27 septembre 1955. Voir le document 356.

This was briefly discussed in the Cabinet Defence Committee on September 27, 1955. See Document 356.

⁸⁹ Note marginale :/Marginal note:

N.B. I think 12(b) should read something as follows:

"That pending acquisition of any or all of the DEW rearward communications system, the Canadian Govt would expect the United States to make available to it, on request, a reasonable share of the available circuits, beyond the essential minimum requirements of the DEW line itself.["] W.H. B[arton]

[PIÈCE JOINTE/ENCLOSURE]

Annexe

Annex

SECRET. CANADIAN EYES ONLY.

REPORT TO THE AD HOC COMMITTEE ON TELECOMMUNICATIONS POLICY

Representatives of the Departments of National Defence and Transport in accordance with the directive of the meeting of September 6th, 1955,

Having taken into account:

(a) that the pattern of communications developing in isolated parts of Canada particularly in the north and east based on Canada/U.S. military requirements could be inimical to the orderly development of an integrated national communication system if not properly controlled;

(b) that so long as ownership and operational control rests mainly in the hands of the United States, arbitrary application of existing statutory and technical controls to ensure an organized and co-ordinated development of a Canadian communications system is extremely difficult, for the reasons stated by the working group; (see Appendix A†);

(c) that there are Canadian military and civil requirements along the routes being covered by these U.S. owned communications which, although generally small in magnitude compared with the U.S. military requirement, place Canada in a position of dependency on U.S. owned systems which could be withdrawn and dismantled by the U.S. at the termination of their requirement;

(d) that civil requirements for communications along some of the routes is expected to expand and must either be satisfied by the use of the communication system under consideration or by the establishment of parallel systems;

(e) that a heavy financial capital expenditure by Canada to acquire ownership of these facilities is not desirable;

(f) that partial ownership of the long-haul communication circuits other than those which may be regarded as satisfying only a purely U.S. military requirement would militate against the development of a national integrated system, because the foreign owner would not have the same interest in interconnection and in fulfilling requirements other than his own;

(g) that the assumption of ownership by Canada of communication facilities for the D.E.W. line might be construed as a Canadian contribution to it;

(h) that the acquisition and careful control of development of the communications systems under consideration is, in itself, a basic long-term plan for the development of Canadian communications to provide for the needs of civil and military users both Canadian and U.S., and because the system as shown in the attached Appendix B,† together with present Canadian plans for the establishment of micro-wave systems, including the Trans-Canada micro-wave systems and other long-line communications, provides a basic communication structure capable of expansion by the addition of shorter feeders which could lead to an improved communication service over all of Canada;

(i) that it would be desirable to have Canadian commercial entities (including Crown Corporations), rather than Federal Government Departments, operate and subsequently own the systems;

(j) that acquisition of ownership by the Canadian Government in the first instance would facilitate the negotiation of any subsequent transfer of ownership to Canadian private enterprise;

(k) that it is desirable that any proposed course of action for consideration of the Government should be based upon a plan which would apply uniformly in respect of the D.E.W. line or any similar enterprise;

(l) existing agreements; (see Note 1)

and bearing in mind;

the estimated capital value and revenue shown in Appendix B

are of the opinion;

that Canadian ownership of the system under consideration is the only effective way to acquire control of the development of a Canadian integrated communication system, and feels that this would not be inimical to the proper provision for the needs of the U.S. military services in Canada;

THEREFORE RECOMMENDS:

(a) that the U.S. would be permitted to construct such communication systems as are jointly agreed and would be permitted to retain ownership and control during initial testing; such work would be subject to the usual conditions regarding use of Canadian labour and materials;

(b) that when any system or portion thereof becomes ready for operational use it would be taken over by the Canadian Government under arrangements outlined in sub-paragraph (c);

(c) that title to any system would be obtained by the Canadian Government in accordance with the following:

(i) an outright payment to the U.S. of a share of the agreed capital cost proportionate to Canadian user interest in the system; (see Notes 2 and 4)

(ii) repayment to the United States of the balance of the agreed capital cost by annual payments from total revenue in excess of an agreed amount (subject to possible periodic review) representing operating costs and reasonable profit to the operating company. These payments would bear the same relation to the excess revenue as the United States share of the agreed capital cost would bear to the total agreed capital cost. The obligation to make capital repayments shall not extend beyond an agreed amortization period;

(iii) standard rental rates would apply;

(iv) notwithstanding (iii) above, revenue to be guaranteed by the United States in an amount which would bear the same relation to the agreed amounts required for operating costs and reasonable profit to the operating company, as the United States share of the agreed capital cost would bear to the total agreed capital cost for the period covered by the agreement (to be determined), subject to the provision of (c)(v);

(v) negotiation as to Salvage payment by Canada should the United States terminate the agreement before all capital costs have been repaid, or capital repayments terminated in accordance with (c)(ii) above;

(d) that coincident with title being assigned to the Canadian Government, the U.S. would pay rental for all circuits it desired;

(e) that if the U.S. subsequently required additional circuits which necessitated augmentation of any system, the additional equipment would be provided by Canada and leased by

the U.S. under normal 10 year lease together with provisioning charges as necessary to ensure no cost to Canada;

(f) that the Government agency to have initial ownership of the system should be non-military, preferably, the Department of Transport;

(g) that ownership be transferred to Canadian commercial companies as soon as it is expedient, and as early as satisfactory arrangements can be made. Where this cannot be immediately achieved, the system to be operated by Canadian commercial companies under contract to the Canadian Government, such contracts to be arranged, where possible, with a view to the eventual ownership by the Company concerned. (See Note 3)

Note 1

Both the D.E.W. line and Pine Tree (assumed to include Pole Vault) Agreements are based upon U.S. ownership of the communication systems under consideration. If the foregoing recommendation is adopted, both Agreements will require revision.

Note 2

In formulating the above recommendation it has been assumed that Canada will make no contribution to D.E.W. line. However, in the event that it becomes Government policy to make a contribution, an adjustment could be made to the proportion of the outright payment indicated in paragraph (c)(i) above.

Note 3

The foregoing proposal is intended to cover communication systems shown in the attached Appendix B and other similar systems which may be required by the U.S. and establishment jointly agreed. However, implementation of the assumption of Canadian Government ownership and transfer to Canadian company ownership or formulation of contracts for Canadian company operation may be variable depending upon such factors as

completion of installation and initial testing, and
potential revenue as compared with cost of operation.

Note 4

It is recognized that the application of any Canadian import taxes may have a direct bearing on the agreed capital cost.

3^e PARTIE/PART 3
 QUESTIONS ÉCONOMIQUES
 ECONOMIC ISSUES

SECTION A

ÉLIMINATION DES SURPLUS AGRICOLES DES ÉTATS-UNIS : BLÉ
 DISPOSAL OF UNITED STATES AGRICULTURAL SURPLUSES: WHEAT

366.

DEA/24-40

*Le secrétaire d'État aux Affaires extérieures
 à l'ambassadeur aux États-Unis*
*Secretary of State for External Affairs
 to Ambassador in United States*

TELEGRAM EX-1009

Ottawa, May 31, 1955

CONFIDENTIAL. IMPORTANT.

DISPOSAL OF U.S. SURPLUS AGRICULTURAL PRODUCTS

You will have seen Mr. Howe's statement in the House of Commons on May 16 expressing the Canadian Government's concern that the export of non-commercial terms of U.S. agricultural products, particularly wheat, was having an adverse effect on normal Canadian markets for such products.⁹⁰ The time would seem now to have come to express this concern formally to the United States Government. Accordingly, you should deliver to the State Department a Note along the lines of the text set out below. In order that our representations may be as effective as possible, the approach to the State Department should be at a reasonably high level.

Text Begins:

2. The Canadian Ambassador presents his compliments to the Secretary of State and wishes to express the views of the Canadian Government with respect to the effects on normal commercial trade of the policies being followed by the Government of the United States for the disposal of surplus agricultural commodities, particularly wheat.

3. The United States Government has, from time to time, sought the views of the Canadian Government with respect to transactions under Title One of Public Law 480. There has been no consultation with respect to transactions under Section 402 of the Mutual

⁹⁰ Voir Canada, Chambres des Communes, *Débats*, 1955, volume 4, pp. 3971-3974.
 See Canada, House of Commons, *Debates*, 1955, Volume 4, pp. 3781-3784.

Security Act and Title Two of Public Law 480, although these, too, can have adverse effects upon normal commercial trade.⁹¹

4. The Canadian Government understands that it is the intent of the foregoing legislation to interfere as little as possible with the normal commercial marketings of the United States itself and of friendly countries, whether or not the legislation contains specific provisions to that effect. The Canadian Government has in mind the assurances given on this subject by the United States side at the first meeting of the Joint Committee on Trade and Economic Affairs. The Communiqué of March 17, 1954 stated — “The Ministers of both countries recognized that if surpluses were to be disposed of without regard to the impact on normal trade, great damage might be done not only to the commerce of Canada and the United States but also to the world economy. The Ministers reaffirmed that it is the continuing policy of their respective governments, in disposing of agricultural surpluses abroad, to consult with interested countries and not to interfere with normal commercial marketings. They stated that it is their settled intention that any extraordinary measures that might be adopted to reduce surpluses should result in greater consumption and should augment, and not displace, normal quantities of agricultural products entering into world trade.”⁹² Moreover, the Canadian Government appreciates the efforts made at the outset by the Government of the United States to confine disposal programs for wheat to instances of famine relief, to instances of inability to pay for commercial purchase or to programs to encourage increases in consumption.

5. More recently, however, the Canadian Government has noted with increasing concern the disposal of wheat under the provisions of Section 402 of the Mutual Security Act and the provisions of Public Law 480 in Markets which have always been considered as normal commercial markets for grain or in amounts which result in a reduction in commercial demand below normal levels. As a result, commercial sales of Canadian grain have been seriously reduced and so have commercial sales of other wheat exporting countries, including the United States. Without necessarily providing an exhaustive list, the Canadian Government wishes to draw attention to the various programs of wheat disposal which have been announced with respect to Italy, Israel, the Netherlands and Colombia.

6. On September 9th, 1954, the President of the United States stated as follows:

“Today, the magnitude of the United States holdings of many commodities is such as to be capable of demoralizing world commodity markets should a policy of reckless selling abroad be pursued. This potential greatly alarms other countries despite the fact that

⁹¹ La Section 402 de la Mutual Security Act of 1954 autorisait l'Administration à dépenser jusqu'à 350 millions de dollars pour la vente et l'exportation de produits agricoles excédentaires aux alliés des États-Unis. La Agricultural Trade Development and Assistance of 1954 (Public Law 480) autorisait l'Administration à dépenser jusqu'à 700 millions de dollars pour financer la vente et l'exportation de produits agricoles excédentaires aux alliés des États-Unis. Elle lui permettait également de donner [aux alliés des États-Unis] jusqu'à 300 millions de dollars de produits excédentaires pour les secours d'urgence sur une période de trois ans.

Section 402 of the Mutual Security Act of 1954 authorized the Administration to spend up to \$350 million to finance the export and sale of surplus agricultural commodities to U.S. allies. Public Law 480, the Agricultural Trade Development and Assistance Act of 1954, authorized the Administration to spend up to \$700 million to finance the sale and export of surplus farm commodities to U.S. allies. It also permitted the Administration to give American allies up to \$300 million in surplus commodities for emergency relief over a three-year period.

⁹² Voir/See Volume 20, Document 525.

past behaviour of the United States has shown no intention of pursuing a harmful policy."⁹³

7. Present policies for the disposal of wheat under Public Law 480 and Section 402 of the Mutual Security Act are contributing to a growing sense of alarm in Canada. In the view of the Canadian Government, their continuance could result in demoralization of grain markets with far-reaching consequences for world trade in general.

8. Attention is drawn to the obligations of importing countries signatory to the International Wheat Agreement of which the United States and Canada are members. Individual annual import quotas accepted by the importing countries under the Agreement were generally understood to be an indication of their normal commercial requirements. As one method of minimizing the adverse effects upon normal commercial trade, the Canadian Government would like to suggest that sales of wheat under Public Law 480 and Section 402 of the Mutual Security Act to countries which are members of the Agreement should only be considered as and when such countries have purchased commercially their normal requirements as reflected in their individual quotas under the International Wheat Agreement.

367.

DEA/24-40

*L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures
Ambassador in United States
to Secretary of State for External Affairs*

TELEGRAM WA-918

Washington, June 3, 1955

CONFIDENTIAL. IMPORTANT.

Reference: Your telegram EX-1009 of May 31.

DISPOSAL OF UNITED STATES SURPLUS AGRICULTURAL PRODUCTS

I handed yesterday to Sam Waugh, Assistant Secretary for Economic Affairs, our note on this subject.

2. In presenting the note, I said that the question of the disposal of United States surplus agricultural products, particularly of wheat, was one of real and continuing concern to Canada; some of the programs under Public Law 480 and Section 402 of the Mutual Security Act affected normal Canadian markets. I said I realized that the State Department had been endeavouring to protect the interests of other exporting countries and hoped that the views of the Canadian Government, as expressed in the note, would strengthen the hand of the State Department in its efforts to prevent surplus disposal sales from replacing normal commercial marketings.

3. Waugh remarked that in criticizing the United States programs, some governments, not particularly the Canadian Government, were forgetting how the surpluses had come about. Nor did they always appreciate the difficulties facing the administration, and the political and economic factors, domestic and international, which were involved. He said that one alternative to the present policies would be to dump the surpluses in the ocean.

⁹³ Voir/See United States, *Public Papers of the Presidents of the United States: Dwight D. Eisenhower 1954*, Washington, D.C.: Government Printing Office, 1960, Document 261, p. 842.

But with two-thirds of the people of the world under-nourished, it was quite obvious that neither the President nor the public would ever agree to that.

4. Another alternative would be to reduce commercial prices in an effort to move larger quantities of the products into world markets. Clearly such a policy could easily result in a serious and damaging decline in the structure of world commodity prices and in cut-throat competition. He was sure neither Canada nor other countries would want to see this happen. We readily agreed.

5. Waugh went on to say that he considered the problem of the disposal of their agricultural products as one of the main problems the administration had to deal with. He personally had been completely immersed in it — particularly of late, when he had attended many inter-agency meetings with Joseph Dodge and Arthur Burns. He mentioned a new detailed study of the whole problem which was now to be undertaken. (We enquired today about the study and learnt that the desirability of it was first discussed in the (White House) Council of foreign economic policy under Joseph Dodge. The proposal was passed to the Francis Inter-Agency Policy Committee on surplus disposals, which agreed last Tuesday to launch a comprehensive study of the whole problem, including its effects on United States commercial policy and commercial marketings, as well as on other exporting, and on recipient countries. It would appear that it will take a considerable time to complete a study of this nature.)

6. Waugh then spoke in more detail of the domestic and international considerations involved. Wheat was not the only problem. There were many other commodities and in the last two weeks he had appeared before congressional committees on cotton, rice and grapefruit. At home the administration was under constant pressure from Congress to dispose of the surplus commodities. Important sections of Congress were concerned at the cost to the Treasury. Other sections reflected the fear of domestic producers that such large surpluses would wreck the domestic price-support mechanism. Farmers themselves were of course quite vocal and powerful in making their own views known.

7. In the international field, Waugh said, they were quite aware of the fact that commodities which are in surplus in the United States accounted for as much as 85 percent of the exports of certain countries. The United States disposal policy in cotton, for example, was much more important to the economy of Egypt than the disposal of United States wheat surpluses was to the economy of Canada. There was also the politically all-important objective of bolstering the economy of recipient countries and helping them to meet the threat of Communism. The use of the local currencies held by the United States was a major factor in meeting this objective. Waugh referred to a visit he had had in the last few days from an Italian Cabinet Minister, who had expressed his government's appreciation of United States assistance through its surplus disposal program in that country. Waugh said that he was sure that the Canadian Government appreciated fully the importance of all these politico-economic considerations. He suggested that Canada should not be too disturbed about the help which the United States was giving countries like Italy, particularly those which suffer from a chronic shortage of dollars.

8. To move into export markets a billion dollars worth of agricultural commodities for local currencies could not help but affect commercial marketings in some measure, said Waugh. The State Department was doing all it would to maintain "moderation" in the disposal programs. In continuing to follow the directives of the President and to convince other government agencies to do the same, the State Department was, so to speak, flying in the face of large and important elements in Congress which were quite outspoken in their criticism of these efforts by the State Department.

9. On no other occasion, when Canada's concern about the United States programs of disposal of wheat was brought to his attention, has Waugh spoken so emphatically in defence of the surplus disposal program of the United States Government. It seemed to us that he was appealing for more understanding from Canada in the administration's difficult task of administering the laws which Congress has passed. It could be that he has grown weary of the protests, on the one hand, of exporting countries that their markets are being injured as a result of United States sales for local currencies, and of the criticism, on the other hand, by Congress that the State Department, by giving too much attention to the interests of other countries, of obstructing sales which could otherwise be made.

10. I remarked that the Canadian Government is well aware of the United States Government's large stocks of wheat and other commodities and of the difficulties involved. The Canadian Government knows too, that there are United States laws which require the sale of these surpluses to importing countries for the currencies of the recipients. Nevertheless I urged that, in implementing the provisions of these laws, the United States should exercise moderation to the greatest extent so that disruption of commercial sales will be minimized as much as possible. Waugh said this was their aim.

11. There was no discussion on the final paragraph of the note concerning the International Wheat Agreement although I made specific reference to it in my supplementary remarks.

12. As regards the reply which the United States government might make to our note, Waugh said that he could not see that their reply could do any more than to restate the determination of the administration to practise moderation in United States surplus disposal programs and, perhaps, to add that the whole complex of problems which these raised was at present under serious and detailed study. As we have reported separately, Waugh suggested that this whole question be put on the agenda for the next meeting of the United States-Canadian Joint Committee.

13. I raised the question of making the note public, pointing out that the Canadian Government might be under pressure to release the note perhaps as a follow-up to the remarks which Mr. Howe had made in the House of Commons on May 16. Waugh expressed, as his opinion, that publicity at this time would likely do more harm than good and he hoped that we would agree not to make the note public without further consultation.

14. Copies of the note (No. 369 of June 2) are going forward by bag. The only change from the text contained in your telegram under reference is the deletion of Colombia in paragraph 5 and the insertion of the Federal Republic of Germany.

A.D.P. HEENEY

368.

DEA/24-40

*L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures*

*Ambassador in United States
to Secretary of State for External Affairs*

TELEGRAM WA-1142

Washington, July 11, 1955

CONFIDENTIAL

Reference: Your telegram EX-1009 of May 31 and our WA-918 of June 3.

DISPOSAL OF UNITED STATES SURPLUS AGRICULTURAL PRODUCTS

We received today the reply† of the State Department dated July 7 to our Note No. 369 of June 2. Copies of this reply, which runs to seven pages, will be put in tomorrow's bag.

2. You will note that the reply reflects in large measure the atmosphere of the meeting at which I left our note with Sam Waugh. The final paragraph of the note states:

"In conclusion, the Government of the United States wishes to reaffirm its intention to continue to adhere to the policies announced at the first meeting of the Joint Committee on Trade and Economic Affairs. The United States Government welcomes the opportunities for arrival at mutual understanding on problems relating to Title I of Public Law 480 afforded by the agreed consultative procedures and by frank exchanges of view with regard to other types of problems raised in the Ambassador's note."

3. The distinction which is made between the "agreed consultative procedures" with respect to Title I and the "frank exchanges of view with regard to other types of problems raised" is explained at some length in the text of the reply: Title II and Section 302 of Title III of P.L. 480 (the latter was not mentioned in our note) are represented as being philanthropic in concept and consequently as falling outside the scope of normal trade or commercial marketings — hence formal consultations with third countries are "not considered essential"; similarly there is no "obligation to consult" with third countries concerning programmes under Section 402 of P.L. 665 (M.S.A of 1954). On the other hand, it is claimed that the United States has consistently adhered to the consultation procedures (announced in the F.O.A.) concerning transactions under Title I of P.L. 480. A large part of the note is devoted to supporting this assertion and justifying more specifically the Title I programmes for Italy and Israel. The proposal contained in our note relating to the annual import quotas under the international wheat agreement of countries receiving United States agricultural surpluses under public laws 480 and 665 is not accepted for two main reasons:

- (1) The I.W.A. quota criterion is "not the complete answer" and
- (2) "tying Title I programs including wheat to the end of the wheat marketing season would present quite insurmountable problems..."

369.

DEA/24-40

*Le sous-ministre adjoint du Commerce
au ministre du Commerce*

*Associate Deputy Minister of Trade and Commerce
to Minister of Trade and Commerce*

CONFIDENTIAL

[Ottawa], July 28, 1955

Dear Mr. Howe:

I am sorry I did not see you before you left for the West to report on my brief trip to Washington. I shall be leaving for vacation at the end of July and may not have another opportunity to talk with you for some weeks so I thought I should put down in writing my impressions in case they are of use to you.

As you know, I had been urged by our Embassy in Washington to spend a few days there to talk in a general way with United States officials about trade, but more particularly about surplus disposal problems. The Canadian Government has, of course, made a number of protests and representations to the United States Administration from time to time during the past year climaxed by a general memorandum expressing alarm at the way in

which the United States had been disregarding Canadian interests in its surplus disposal program.⁹⁴ Just the other day we received a reply in which the United States Administration defended its actions, claiming that it had carried out its undertakings to avoid damage to the commercial interests of the United States and friendly countries, including Canada. All these exchanges, however, had been of a rather formal character and it had been some time since a senior Canadian official had talked informally with the United States Administration about the developing situation. I believe the last discussion of this nature took place more than a year ago when the joint United States-Canada Committee on Trade and Economic Affairs met in Washington.

On the whole, I think my visit was timely. The formal protests had been made and replied to. I had none to make and was, therefore, in a position to say that I was in Washington only for the purpose of exchanging views about the future. It was timely too in the sense that both Canada and the United States are entering a new crop season, the United States with a big crop and a big carry-over of all types of grain and with an Administration being pressed by Congress to intensify its surplus disposal activities; and with Canada likely to harvest another large crop of grain to be added to already bulging warehouses.

The Embassy had arranged a number of appointments with key officials of the Department of Agriculture followed by one meeting with a group in the Department of State and finally an appointment with Dr. Arthur Burns, Chairman of the President's Council of Economic Advisers. Arnold Heeney also invited me to have lunch with him and Sam Waugh who heads the economic side of the State Department.

The first interview was arranged with Earl Hughes, Administrator of the Commodity Stabilization Service, Department of Agriculture, and Frank Daniels, General Sales Manager of that service. Hughes was called out of the meeting so that I did not have more than a few minutes with him. This was of no consequence since Daniels seems to be the official most concerned with surplus disposal. It is fortunate that Daniels was the first contact because his remarks led me to formulate the line of approach which I found to be most effective in all subsequent interviews. Daniels began by saying that he shared Canada's dissatisfaction about "give-away" programs. He had been on the point of selling some of the Government held stocks to foreign countries when the F.O.A. people stepped in to offer the same commodities for free. He thought this was nonsensical and proceeded to argue that the right way to dispose of surpluses was to offer them for less than competitors. He cited Pacific White Winter Wheat as an example of how he would merchandise. This wheat, he said, should be offered for 15 cents less a bushel so as to capture markets now being filled by Australia. I realized then that the United States Administration might have got the impression from some of our recent representations that we were less concerned about subsidization of exports than we were about "give-aways". Accordingly, I made the point as strongly as I could that surplus disposal must be looked at as a whole. Canada is just as much concerned about subsidization as about gifts or sales for local currencies. Our interests could be damaged just as much by the United States Treasury pouring out money in one form as in another. I then went on to develop the theme that there was grave danger that in the coming year Canada and the United States would come into extremely sharp conflict in disposing of wheat. Our exports now were on a fairly tolerable level, just sufficient to enable us to dispose of an average crop and not enough to prevent further accumulations if we had larger-than-normal crops. In all probability our farmers would be required this year to keep vast quantities of grain on their farms without receiving payment. They

⁹⁴ Voir aussi volume 20, le chapitre 5, 4^e partie, section A./See also Volume 20, Chapter 5, Part 4, Section A.

would be extremely sensitive to any further encroachments by the United States and under this pressure from the growers the Canadian Government could not stand by. The Government would be forced, whether it liked it or not, to take whatever measures were necessary to retain a fair share of world markets even if this meant price reductions. I pointed out that Canada and not the United States had been stabilizing the world market for wheat. Canadian prices had not been changed for many, many months whereas the United States had, in one way or another, made substantial reductions in offered prices in addition to their gifts and sales for local currencies. There was grave danger that in the conflict which might arise in the next year stability would be replaced by chaos. I expressed the hope that such a situation would not arise and that there would be restraint and patience on both sides. I think I made an impression on Daniels, who then went on to say that he had been trying to think of some way in which there could be co-operation between the United States and Canada. He suggested that "a leading member" of the Canadian grain trade might be appointed as a liaison man with the C.C.C. Naturally I said very little about this idea, which I think is quite impracticable, but I did welcome co-operation and consultation.

My next appointment was with Earl Butz, Assistant Secretary of Marketing and Foreign Agriculture. He brought along Gwynn Garnett, the newly appointed Administrator of the Foreign Agricultural Service and Gus Burmeister. In the main I repeated the comments I had made to Daniels. Garnett tried to defend to activities of the United States and, of course, pointed to the great pressure under which the Department of Agriculture was working. On this occasion, as on others, I expressed sympathy with the problem with which they are faced. I said that I had no ready solution to offer. All I could counsel was restraint and patience so that we did not find ourselves in collision, which would not increase total exports from North America but which would certainly bring about a sharp reduction in prices.

I then saw True Morse. In the main we talked about the prospects for the renewal of the International Wheat Agreement. Morse was as reticent and non-communicative as usual. He did not know what the United States would do about the Agreement. He hoped other countries would take the lead; then the United States could decide whether or not to join. I remarked that since Canada was not likely to give enthusiastic leadership to any move towards renewal, there was a strong possibility that nothing whatever would happen. He asked me whether we had any information about United Kingdom intentions and I replied that we knew very little and certainly the United Kingdom would not be a strong proponent even if they were prepared ultimately to join. I then went on to develop my theme about surplus disposal, to which he listened attentively, but did not offer any comment other than to express the hope that we could avoid open conflict.

Following a lead given by Burmeister at the earlier meeting, I arranged to visit him in his office to talk import restrictions. Burmeister surprised me by saying that he thought there was a good chance that the Tariff Commission would not be requested to make a further enquiry into oats and barley. It was possible — Burmeister thought — that no restrictions were necessary, that prices in the United States had fallen to such a point that there was no danger of a flood of these grains from Canada. Indeed, he questioned me about the possibility of import restrictions by Canada to keep out American oats and barley. I said that the withdrawal of restrictions on oats and barley would be a welcome development and I hoped that this would happen. Burmeister then asked whether, if there were no restrictions, we could be prepared to put a voluntary limitation on the movement of feed barley into the United States. I said that I thought this was a possibility but that I hoped that no restrictions at all would be required. I also offered to see whether we could furnish him with any information that might be helpful to him in supporting the view that restric-

tions were no longer necessary. I am sending a copy of this letter to the Wheat Board so that they might consider what information could be furnished to Burmeister along these lines.

At the close of the day Lou Couillard, Guy Smith, Don Burns and I met with State Department officials. First we presented the note on further tariff negotiations which was drafted before you left Ottawa.⁹⁵ I shall not take time to recount that part of the interview other than to say that the Americans welcomed our agreement to negotiate but hoped that we would delay any announcement or publicity until after Congress had risen so as to avoid prejudice to the Customs Simplification Bill. I then led off in a discussion of surplus disposal and repeated our concern about developments during the next year. Needless to say, we have strong allies in the State Department. There was no need to convince them of the desirability of moving carefully on both sides of the line.

These were the more significant interviews. The next day I had a useful talk with Roger Stewart, Chief of the Cereal Branch, Office of International Cooperation Administration (formerly FOA). This Administration is responsible for the Aid program but does not have much to say about the quantities of cereals that may be included. I gathered that the Department of Agriculture is a thorn in his side just as it is in ours.

Although I had not expected to talk about surplus disposal with Burns, Chairman of the President's Council of Economic Advisers, we did get around to the subject in our brief interview which was cut short unfortunately because the President of the United States wanted to talk to him at the White House. Burns admitted that he saw no solution to the surplus disposal problem. The situation was likely to get worse before it got better. You might be interested to know that Burns is one of the key men in the Administration today. The President has given instructions that all major legislation or policies of an economic character are to be discussed with Burns before they are put before him for approval. Burns is optimistic about the business outlook. He sees no big clouds on the horizon at the present time.

At lunch Tuesday the Ambassador and I had a useful chat with Sam Waugh about the forthcoming tariff negotiations, surplus disposal and the International Wheat Agreement. Nothing very new developed except a hint dropped by Waugh that renewal of the International Wheat Agreement was about to be considered at top level.

Arnold Heeney called a meeting in the Embassy in order to enable me to make a report on these talks. This I did, and it appeared to all of us: (1) That there is no point in making further diplomatic representations in the form of notes or aide mémoires protesting United States surplus disposal activities. We have made our position very clear and the Americans in turn have made their reply. The time now seems to have come for those directly concerned in the two countries to have frank and full discussions about the developing situation so as to minimize conflict; and (2) that surplus disposal should be the first and most important item on the agenda for the forthcoming meeting of the United States-Canada Committee on Trade and Economic Affairs.⁹⁶ I think the talks I had in Washington have paved the way for a strong presentation by Canada. Incidentally, the meeting seems to be confirmed for September 26 and 27. Lou Couillard has been appointed Canada Secretary

⁹⁵ Voir/See Document 121.

⁹⁶ Pour un rapport de cette réunion, voir le document 407.
For a report of this meeting, see Document 407.

and plans are being made for preparatory official meetings in Washington to agree upon an agenda.

Kindest regards.

Yours sincerely,
M.W. SHARP

370.

DEA/24-40

Note du conseiller pour l'agriculture, ambassade aux États-Unis
Memorandum by Agricultural Counsellor, Embassy in United States

CONFIDENTIAL

Washington, October 20, 1955

MEETINGS OF UNITED STATES AND CANADIAN OFFICIALS
ON THE MARKETING OF WHEAT AND OTHER GRAINS

Dr. Earl Butz, U.S. Assistant Secretary of Agriculture, was chairman. In his opening remarks, Dr. Butz said that Canada and the United States both had large quantities of wheat and, to some extent, were in the "same boat" with respect to the marketing of this product. He said that the meetings which were now being held were the outcome of a meeting held in Ottawa of the Joint U.S. - Canadian Committee on Trade and Economic Affairs.

Mr. Mitchell Sharp, Canadian Associate Deputy Minister of Trade and Commerce, thanked the United States Government for arranging the meeting of officials. He spoke of the vigorous statement which Mr. Howe, Canadian Minister of Trade and Commerce, had presented at the meeting in Ottawa on United States sales of wheat by various special methods, and that the meeting of officials was suggested by Mr. Benson, the United States Secretary of Agriculture. Mr. Sharp said that the programmes of disposal of wheat for local currencies, for strategic materials, and on a bid basis, were disturbing world commercial sales of wheat, and he doubted if these special methods are contributing to future international trade in this commodity. In fact, he said, the United States is using the resources of the United States Treasury to subsidize export sales of wheat in competition with Canadian farmers. It is the total programme of special sales in which the Canadian Government is interested. He realized, he said, that the United States has a very serious problem because of large surpluses of grains which are a source of embarrassment to the United States Government. He realized that the United States Government is anxious to dispose of these surplus supplies, but it should also be borne in mind that Canada also has large supplies of wheat, and the Canadian Government is under pressure, as is the United States Government, to move this wheat into consumption. He said that the special methods being used by the United States have possibly resulted in the sale of 50 million more bushels than would have been sold by ordinary commercial methods. The sale of this wheat on special terms has not really relieved the United States Government from political embarrassment as there are still large surpluses being held. Moreover, the sale of an extra 50 million bushels of wheat has little effect on the total economy of the United States. On the other hand, a reduction of Canadian exports of 50 million bushels is of vital importance to the economic life of Canada. Exchange rates are also affected by the methods of special sales which the United States Government is using. He asked that the United States Government not push the special disposal programmes for wheat to the point that they result in a substantial drop in Canadian Exports. "We have used great restraint", he said, "in respect to the pressures

which have been put on the Canadian Wheat Board to reduce the prices. To Canada, wheat exports are absolutely vital. They are our life blood. While to the United States, wheat exports do not greatly affect the national income."

Mr. Marvin McLain, Director of the Grain Division of the Commodity Stabilization Service, U.S. Department of Agriculture, remarked that he valued the relationships which he and other officials of the USDA have had in the past with the Canadian Wheat Board. "It is desirable," he said, "that these good relationships continue." When the United States saw the probability of surplus grains, a programme of reducing acreages was instituted, he remarked, but, in spite of these reductions, grain supplies have been building up. The carryover is now 2-1/2 times as much as in previous years. The United States Government has now in use commercial storage for surplus commodities to the extent of 600 million to 700 million bushels, and the Commodity Credit Corporation owns storage facilities for 900 million bushels. In addition, there are 100 million bushels stored in ships and 25 million bushels on the ground. Recently, the CCC has had to buy additional storage space. Congress and the taxpayers, he remarked, are telling the Government that this cannot go on. He said he did not think the United States has been unfair in its disposal methods or has taken Canadian markets. He thought that programmes of other countries, such as France, have been detrimental to Canada. The United States Government has reduced price supports and has been trying to increase the domestic use of surplus commodities. "We have been holding an umbrella on world prices", he remarked. "Unless we continue to export our surpluses, Congress will pass laws which will be much more difficult for Canada than those now in existence."

Mr. Ed. Bell, Director of the Grain and Feed Division of the Foreign Agricultural Service, USDA, said, "We have a common problem in respect to wheat." He referred to a table showing the world trade in wheat, which, he pointed out, indicates that France, Turkey and Argentina have been increasing exports and taking a larger share of the world trade in wheat. He asked, "How do the United States and Canadian policies compare with the policies of other countries, such as France and Argentina, in disposing of wheat?" He also asked, "What studies has Canada made of the policies being followed by exporting countries other than the United States?" He said France is selling wheat at about \$1.57 a bushel, while the growers of that wheat are receiving \$2.64 a bushel.

"Our general view", said Mr. Sharp, "is that the methods being used by the United States have been the principal disruptive factor in wheat marketing. Canada has been trying to maintain stability in the world prices, but Canada does not have a great effect on world opinion. The United States is the greatest nation in the world and the policies used by this country have the greatest effect politically and economically in world affairs."

Mr. McIvor, Chief Commissioner of the Canadian Wheat Board, suggested that the sales of wheat by France should not be interjected into the discussions which are being held, because the meeting was called to deal with United States and Canadian relations with respect to grain marketing. He said Canada and the United States are competitors for world trade in wheat, and the United States sales by tender, for foreign currencies and in exchange for strategic commodities are making it very difficult for Canada to compete in world markets. The special programmes of the United States cannot be considered as commercial trade. He said, "I have been coming to Washington for many years to discuss wheat problems. These discussions have been most useful in times of shortages and should be most useful also when there are surpluses. The Canadian Wheat Board has serious problems, as has the United States Government. We are congested with grain from one end of the country to the other", he remarked, "largely because of the decline in export sales. Growers cannot deliver their grain to elevators and the Government is now considering a

programme to finance growers who are unable to deliver their wheat. We have had five large crops in seven years. We have never increased our acreage of wheat, while the United States made a substantial increase in wheat acreage during the second World War. We recognize that the response of the United States to wartime needs for wheat was of the greatest value and helped to provide food for many people who would otherwise have gone hungry. This increase in acreage was made with the highest of motives. We now have great quantities of wheat in both countries and we must have the closest consultation with respect to the movement of this wheat into consumption. I came to Washington in September", he continued, "and, while I met with many United States officials, I was not told of the special subsidy on spring wheat which was announced soon after my return to Canada. This special subsidy must have been under consideration when I was here. Consultation", he said, "has been a one-way street." In respect to the special methods being used by the United States, Mr. McIvor said that outright gifts of wheat were usually made to countries in great need, and Canada could not really object to such programmes. However, in the sales for local currencies and the exchange of wheat for strategic materials, he asked that there be more restraint used by the United States Government in the operation of such programmes. He pointed out, further, that both Canada and the United States are members of the International Wheat Council and, when Canada signed that agreement, it was assured that both countries would have equal access to importing nations. We believed, too, he said, that importing countries which signed the agreement would be able to provide the necessary exchange when taking up their quotas. "I have been asked", he said, "what would Canada do if we were in the position of the United States? In answer to that, I have said", Mr. McIvor continued, "that I do not think you will get rid of your problem by proceeding as you are now doing under the special methods you are employing." He thought that a substantial quantity of the present stocks of wheat in the United States should be used domestically for feed. "If you persist in these special programmes", Mr. McIvor continued, "Canada will have to do something about it and Canada will suffer economically if there is a price war between the United States and Canada. This would be very serious for the United States, as Canada is the best customer of the United States." He said that attempting to divide the markets was not an answer to export problems. Under such an arrangement the United States and Canada would be accused of setting up a cartel. "I think" he continued, "you should consider cutting back on sales for local currencies and on the exchange of wheat for strategic commodities." He expressed the opinion that sales on a bid basis have disturbed Canadian sales of wheat. He spoke of seeing some of this low-priced United States wheat in Holland which was going into the grist. He suggested that United States officials concerned with wheat should look at these sales on tender very carefully before agreeing to them. He said that Canada objects to the higher subsidies being allowed on flour than on wheat. Canada, he said, does not pay a double subsidy on flour.

At this point at the meeting, Secretary Benson appeared and addressed those who were in attendance. He said that he and his officials were glad to meet with the Canadians. "We have many things in common with Canada and our goals are very similar — prosperity and freedom." He said he hoped that the discussions would be frank, honest and forthright. Surpluses are one of the knottiest problems of the United States Government. To a degree, he continued, the United States Government has contributed to the surpluses, by wartime and post-war price incentives. The Government, therefore, has an obligation to assist in the disposal of these surpluses. He said that production and consumption of agricultural commodities in the United States this year are within one percent of being balanced. "We are pursuing an aggressive policy in the disposal of our surpluses, but we are trying to insist

that these programmes do not disrupt world prices and world trade. We are trying to be fair in all our special programmes”, said Mr. Benson. “We sold surplus commodities to the value of \$2.1 billion in 1954-55. Cut-backs in acreage have reduced production, and this device has been used by the United States to a greater extent than in any other nation. We believe there can be an expansion of markets abroad and we are making an effort to bring price supports to a more reasonable basis”, he added. “We have reduced the price supports for oats and barley and these are moving into consumption. We are trying to develop agricultural policies which will result in putting surpluses into consumption rather than into Government storages.” He said he hoped that the officials present would examine the export policies of other countries, such as Argentina and France, as well as the policies of the United States and Canada. He hoped that the meeting would also seriously consider ways of getting rid of surpluses without unduly injuring commercial disposals. In concluding his remarks, he said that he hoped that conferences would be arranged on a continuing basis and that they would be mutually beneficial.

In responding to Mr. Benson’s remarks, Mr. Sharp said that Mr. Benson is held in high regard in Canada and there is admiration in Canada for the courage which the Secretary has shown in facing domestic agricultural problems. Canada, he continued, is in an extremely difficult position because of some of the policies being followed by the United States in the disposal of wheat. Canadians, he continued, take a serious view of the special methods of surplus disposal being used by the United States which have been damaging to Canadian interests.

Mr. McIvor, in continuing his remarks, offered the following suggestions as to what Canada would like the United States to do in respect to wheat marketing:

(1) the United States should not sell wheat under any special plan to any country which has signed the International Wheat Agreement until that country has taken up its full quota under IWA;

(2) it is not fair to Canada to continue to sell grain on a bid basis;

(3) it is not desirable to have a double subsidy on flour.

Flour should only be sold on a subsidy equivalent to wheat.

The chairman then asked Mr. F.C. Daniels, General Sales Manager of the Commodity Stabilization Service, USDA, to make some remarks on the bid basis of selling commodities. Mr. Daniels said that the competitive bid basis is not an auction basis as the bids can be accepted or rejected. He said, “We are in a buyer’s not a seller’s market. We are turning down more offers than we are accepting. We have not the ability to set prices on some commodities”, he continued, “so we offer them to buyers and they determine the value of the commodity by their bids.” Congress recommended that the Commodity Credit Corporation should set up a sales organization and, as the General Sales Manager, Mr. Daniels said, he is trying to carry out the wish of Congress. “We have not gone to a bid basis to beat down prices”, Mr. Daniels continued, “but we sell, rather, to the highest bidder. We have received twice as much for rice on a bid basis than we could have obtained on a negotiated basis”, Mr. Daniels added. “Under the competitive bid basis, buyers and sellers get together to establish a price, but the United States Government reserves the right to reject any bid”, he concluded.

Mr. Walter Berger, Associate Administrator of the CSS, then presented figures on sales of sorghum grains on a bid basis. He said that the first sales were made at \$2.65 a hundred, then bids fell to \$1.80 a hundred. The CCC then went into the establishment of a flat price, but made few sales. On September 7, the CCC offered sorghum grains on a bid basis and bids of \$1.70 to \$1.74 were made. On September 14, 2 million bushels were sold at \$1.70

to \$1.70-3/4. The next week, two million more bushels were sold, but the price had advanced to \$1.80. Later, sales were made at \$1.82 to \$1.84. He then referred to the sales of cottonseed oil and pointed out that sales were made on a bid basis which probably could not have been made on a fixed price basis.

Mr. W.C. McNamara, Assistant Chief Commissioner of the Canadian Wheat Board, remarked that wheat is quite different from sorghum and cottonseed oil. Canada and the United States, he said, have been working together for many years on wheat problems and there have been certain understandings between the two countries. He said the United States has been selling wheat to IWA countries at discounts below comparable quality of Canadian wheat. He referred to a sale of No. 2 red winter wheat at a price below Canadian No. 5 wheat, and 60 cents below No. 1 Northern. He said the United States methods of selling wheat on a bid basis are killing not only Canadian, but United States commercial markets. Both Canadian and United States commercial exports have been below those of the previous year, and many United States sales are at such a low price that they cannot be registered under IWA. United States special sales are killing IWA and Canadian farmers and United States taxpayers are thereby suffering. United States special sales are destroying confidence and stability in normal commercial trade in wheat, and causing confusion in the minds of buying countries. Importing countries were withholding purchases in the hope of getting "give-away" wheat. What would happen if Canada engaged in such dumping operations?

Referring to the recent offer of 4 million bushels on a bid basis, Mr. McLain said this was because of the congestion at the New Orleans port. He said only light test wheat and garlicky wheat are being offered on a bid basis.

Mr. Sharp remarked that, if Canada were to engage in bid-basis selling, it would be considered a policy of panic-selling, and buyers would say that we now have Canada on the run. As a result of the United States special methods of sale, prices on the world market are now chaotic.

Mr. McIvor remarked that some United States sales of low test wheat were made at a price at least 20 cents below that which was necessary. These sales are injuring not only Canadian but United States export sales of wheat and flour. Referring to the sales of French wheat with a large export subsidy, he said that France is following the example of the United States.

At this point, Mr. Daniels observed that, with respect to sales on a bid basis out of Duluth, it was necessary to sell that way or dump the wheat into Lake Superior. Mr. McIvor observed that, in his opinion, this was not the case.

Mr. McIvor continued to say that United States sales of barley on a bid basis have undercut Canadian sales to the United Kingdom market. The Canadian price was about 30 cents above the price at which United States barley was sold in that market.

Mr. Daniels asked what would the Canadian Wheat Board do if they had ports plugged with wheat. Mr. McNamara answered that that is just the situation in Canada at the present time and yet we are holding the line on prices. "If we must embark on special programmes similar to those now being used by the United States, then meetings such as we are holding today will have no value", remarked Mr. McIvor. Mr. McIvor then referred to sales of wheat at prices ranging from \$1.15 to \$1.17 and \$1.06 to \$1.08 to certain European countries. He said the subsidy on such sales would be more than \$1.00 a bushel and not much less than the subsidy on sales of wheat by France.

Mr. Earl Hughes, Administrator of the Commodity Stabilization Service, USDA, said that Congress is much concerned about the establishment of prices on cotton at levels

which encourage cotton producers of other countries to grow cotton and sell it at prices below the established United States prices.

In the 1930's the price of wheat fell to 38 cents a bushel, said Mr. Sharp. "This is not occurring today", he continued, "because governments are holding the surplus." In the thirties millions of sellers were bidding against each other, and surely we would not want conditions like that today. If we sell wheat at any price which we can obtain, we will not sell any more wheat as food because the consumption of wheat is inelastic. At very low prices, a little more wheat might be sold, but not sufficient to get rid of the surpluses." Mr. McIvor asked if the recent offerings of 4 million bushels on a bid basis could not have been disposed of under Public Law 480. To this, Mr. Daniels replied that there were no programmes under 480 available, and the New Orleans port was blocked with wheat so that there was no space for other grains. "We had to sell the wheat or dump it in the ocean", said Mr. Daniels.

"Our policies needed correction", said Mr. Hughes. "The price supports for feed grains other than corn have been dropped to 75 percent of parity and the support prices for certain other crops to 70 percent of parity. We are moving in the direction of reducing price supports and thereby reducing the accumulation of stocks, Mr. Hughes added. Mr. McLain asked what would happen if the United States price supports and acreage restrictions were removed. In reply, Mr. Sharp said, "We have not raised serious objections to import restrictions as long as you have price supports. We have insisted however that import controls should not be used to restrict normal trade". Mr. Sharp emphasized that, if both countries were to sell wheat at any price they could obtain, no more wheat would be moved.

Mr. Ray Ioanes, Executive Assistant to the Administrator of the Foreign Agricultural Service, USDA, raised the question as to whether or not United States barley and oats could be exported to Canada. The Canadian officials, in reply to this question said that, traditionally, Canada has sold barley and oats to the United States, and Canada buys large quantities of United States corn. The Wheat Board has import and export control of oats and barley. Recently, barley prices have fallen, and are now not competitive with the United States, so that it is unlikely that United States barley and oats will be offered to Canadian buyers.

Then followed a discussion of the double subsidy on United States flour, to which Canada objects.

Mr. Ben Thibodeaux, Director of Office of International Trade and Resources of the Department of State, remarked that the differences between the two countries seem to be mostly on technical points, and he thought an opportunity was being missed if the policies of other exporters are not explored. Mr. Clarence Nichols, of the Office of International Trade and Resources of the Department of State, remarked that something should be done by way of a multilateral approach to wheat problems and impress on importing countries the importance of reducing price incentives to wheat production.

The chairman, Dr. Butz, said that the discussions of the day had opened up some difficult questions. He said the Canadian officials had been forceful and frank. "The United States, he continued, "does not want to injure Canada because Canadians are our friends and neighbours. We will want to discuss the various points raised among ourselves", said Dr. Butz.

Mr. Sharp remarked that, "Because we are friendly people, I hope that you will not think that we are not serious about the problems. No issue in recent years ..."⁹⁷

[W.C. HOPPER]

371.

DEA/24-40

*Le conseiller de l'ambassade aux États-Unis
au chef de la Direction économique*

*Counsellor, Embassy in United States,
to Head, Economic Division*

CONFIDENTIAL

Washington, December 9, 1955

My dear Ed [Ritchie]:

As I indicated I would do when we spoke on the telephone last Wednesday, I enclose a copy of a memorandum which I did rather hurriedly on the Sharp/McIvor-USDA wheat talks which took place here last Tuesday.

This was the first of these meetings which I have attended. Furthermore there was very little time available, before Mitchell's and George's return to Canada, for a post-mortem. The memo no doubt suffers for both these reasons.

Nevertheless it may serve as an indication of the atmosphere in which the meeting was held, and as an outline (needless to say, non-technical) of the main discussions.

Yours sincerely,

LOUIS COUILLARD

[PIÈCE JOINTE/ENCLOSURE]

*Note du conseiller de l'ambassade aux États-Unis
pour l'ambassadeur aux États-Unis*

*Memorandum from Counsellor, Embassy in United States,
to Ambassador in United States*

CONFIDENTIAL

[Washington], December 7, 1955

MEETING OF UNITED STATES AND CANADIAN OFFICIALS ON WHEAT
WASHINGTON, DECEMBER 6, 1955

As you know, there was not, unfortunately, very much time available on this occasion for discussions with Mitchell Sharp and George McIvor following their meeting with senior U.S.D.A. officials. It may be useful therefore to record those impressions which Sharp and McIvor themselves were able to mention in the short talk they had with you last night and to set out the main impressions which I gathered from the whole exercise.

2. This was the second of what (by joint agreement) will be periodic meetings; the first meeting was held on October 20. The U.S. team was led by McConnell, who acted as

⁹⁷ La conclusion de ce document n'a pas été retrouvée. Sur ce point, voir Charles F. Wilson, *C.D. Howe: An Optimist's Response to a Surfeit of Grain*, Ottawa: Grains Group, 1980, p. 386. The concluding parts of this document were not located. On this point, see Charles F. Wilson, *C.D. Howe: An Optimist's Response to a Surfeit of Grain*, Ottawa: Grains Group, 1980, p. 386.

Chairman, and Hughes. A full list of participants is attached. Full notes on the meeting which lasted a bit more than three hours, will be available in a few days. No joint notes or minutes will be prepared.

3. It was generally agreed that the meeting had been most worthwhile and useful to all concerned. The "biggest single problem" in Canada-U.S. economic relations was reviewed dispassionately in an atmosphere of cooperation, with each team showing due consideration for the other's difficulties. There is no doubt that these meetings will serve a useful purpose as long as the level of representation remains as high as it was yesterday.

4. From the Canadian point of view, our worst fear was dissipated: United States officials did not show any sign of a desire to move to lower wheat prices — as you know, rumours had been circulating that they might. We took the opportunity nonetheless to emphasize that a cut in prices would solve nothing and that indeed it would cause major problems which responsible wheat importing countries were as desirous to avoid as were the exporters.

5. Sharp and McIvor were impressed with the easier atmosphere which characterized this second meeting. Apparently United States officials at the first meeting had been rather frantic about the immediate need to push the export of their wheat by whatever means and whatever the consequences; in yesterday's meeting they did not give the same impression of panic. Their attitude was rather to face their difficulties unexcitedly and to review the problems created by their surpluses in a rather more detached manner, as if they had been at least partly insulated from the domestic political pressures which of course are still present. I would guess that the firm line taken by Secretary Benson (e.g., his flat refusal to return to fixed parities) and the full support he has received from the President explain in part the change in the attitude of his officials. This is not to say, of course, that they are not still harassed by the difficulties and complexities of their surplus problems. But Sharp and McIvor felt that U.S. officials since the last meeting had gone through a detailed, business-like assessment of their disposal policies. In any event, they had obviously done a good deal of homework and were well prepared for the meeting. There may be, therefore, reason to believe that they have come to a realization that they will have to live with their wheat surplus for some time to come, and that no good will be served by losing their heads over it or running frantically from one program of disposal to another. It remains to be seen, of course, whether this attitude of moderation will survive the future waves of political pressures which are bound to come.

6. A number of different subjects were discussed. The following is a layman's brief summary of what transpired:

U.S. subsidy on flour. The Canadian side had raised at the last meeting the question of the United States subsidy on flour. United States officials yesterday went to great pains to explain that U.S. millers were not in fact being subsidized into a better competitive position vis-à-vis Canadian flour exporters. They stated categorically that the subsidy paid on the wheat was the same whether it was destined for export or for the grist. There was considerable discussion in an effort to elucidate the workings of the U.S. subsidy. The Canadian team had to accept the explanations and assurances given by the U.S. officials. Our people will however look further into this question (and discuss it with Canadian millers) in the light of the information given them and may raise it again at the next meeting.

Canadian exports of feed wheat to the United States. Hughes explained that these imports were rather embarrassing to them because of the strict restrictions which were imposed on U.S. farmers with respect to the use which they can make of their own wheat for feed purposes, including their own feed needs. He said that they might want to talk to

us about this question and the application of the liberal import criteria which feed wheat had to meet. This was obviously a trial balloon, and the Canadian side was quick to explain why the Canadian Government would view with serious concern any attempt by the United States to limit these imports: the United States was a traditional market for Canadian feed wheat which should not be tampered with. Whereas the Canadian Government had recognized the logic of a situation in which the United States wanted to control the excess of imports into the United States brought about by high price supports, this was not the case with respect to the traditional exports of Canadian feed wheat to the United States. (I think it is clear that restrictions by the United States on these would have commercial policy implications beyond the immediate wheat disposal policies which were under discussion.)

Public statements on United States policies and practices. The United States side (through Hughes) raised sharply the speech which they said had been made by a Canadian official in the Netherlands, which allegedly was not only severe but wrong in important respects, e.g., that the United States was continuing its auction sales of wheat (which U.S. officials preferred to call a bid system). Furthermore no reference was made to the fact that the United States had removed its import restrictions on oats and barley. The Canadian side did not know about this statement but they said they would look into it. United States officials asked that all Canadian officials concerned be informed of the facts of the situation. They stressed that acrimonious statements on either side could only lead to the aggravation of an already difficult situation. With this the Canadian team readily agreed. However, we stated quite frankly (in particular when two statements made by Mr. Howe in Calgary were quoted to the effect that U.S. policies were "demoralizing" the wheat market and "replacing" Canadian exports) that the great bulk of these statements was true.⁹⁸ Mr. McConnell took a realistic attitude towards the tendency on the part of the press to headline in a rather violent manner what were in fact moderate statements. He said that he fully appreciated that statements had to be made and would continue to be made on both sides, in particular by Mr. Benson and Mr. Howe, which would have to state frankly the position of our two governments. He did, however, appeal for moderation, and we replied that we fully agreed that, as in the case of wheat disposal activities, public statements should be tempered with moderation. Both sides agreed that the care which Canada had taken not to claim credit for corrective measures by the United States, was the wise course to follow.

Harmful effects of wheat export practices of other countries. The United States officials made what was in effect a plea for Canadian support for United States efforts "through either I.W.A. or G.A.T.T." to control the export of highly subsidized wheat by certain other countries. (France was singled out.) No concrete proposals were made as to how subsidized wheat exports (which are competing with subsidized American wheat exports!) might be brought under control. While stressing the damage caused by subsidized exports (which includes the reduction of imports into the subsidizing country), we emphasized the responsibility of wheat importing countries with respect to their acceptance of these exports.

Other minor practices affecting U.S. competitiveness. The United States team raised two or three minor questions which reflected a desire on their part to remove any unwarranted impediments to the export of American wheat. One of these was the question of Canadian wheat price quotations at winter ports, in particular Vancouver. We were able to explain that the difference of a few cents on wheat moved through Vancouver was normal

⁹⁸ Voir/See *Montreal Star*, November 28, 1955; *Winnipeg Free Press*, November 28-29, 1955; and *Montreal Gazette*, November 29, 1955.

and merely a reflection of commercial considerations (the much longer haul from Vancouver and the fact that the bulk of the wheat moving through that port comes largely from Alberta and is of slightly lower quality than Saskatchewan wheat). Another question raised by the United States officials was the sale of flour by Canada under the Colombo Plan. They obviously had not thought about this question very much and raised it merely as a possible example of Canadian "unfair practices". (In fact they were not sure whether it was flour or wheat which was involved.) We were able to explain our aid operations under the Colombo Plan and to say that very little wheat or flour had been involved. United States officials also enquired about our sales of wheat on credit to Iron Curtain countries. The nature of these sales and the participation of the Export Credit Insurance Corporation were explained stressing the commercial character of these as of all Canadian exports. The U.S. side did not pursue the matter further.

7. The Canadian side tried but without success to find out something about the Administration's future agricultural plans and programme, particularly in the light of Mr. Benson's "aggressive selling" statements. I understand that no more information was forthcoming at the dinner which the senior U.S. officials gave Canadian officials last night. McConnell did say at one point in the meeting that there was a good deal of wishful thinking on the quantity of wheat that could be disposed of on a barter basis. He implied that not much more wheat could be sold under this programme.

8. It was agreed that the next meeting would be held in Ottawa in January and that the I.W.A. would be discussed at the same meeting.

9. There was a brief discussion on the line to be taken with the press which was waiting the conclusion of the meeting. It was quickly agreed that no written communiqué would be issued, and that both sides would speak in very general terms and that no reference would be made to the I.W.A.

L.E. COUILLARD

PARTICIPANTS IN MEETING OF U.S. AND CANADIAN
OFFICIALS ON WHEAT, WASHINGTON, DEC. 6, 1955

United States

James A. McConnell, Asst. Secretary of Agriculture
Earl M. Hughes, Administrator, Commodity Specialization Service
John H. Dean, Deputy General Sales Manager, CSS
John E. Tripp, Deputy Director, Grain Division, CSS
Richard H. Roberts, Deputy Assistant Administrator, Market Development and Programs, FAS
Leo J. Schoben, Acting Chief, Foreign Competition Br., Grain & Feed Div., FAS
A.A. Garthoff, Wheat Agreement Branch, Grain Division, CSS
Judson E. Evans, CSS
Ben H. Thibodeaux, International Trade and Resources, State Dept.
Edmond E. Pendleton, Jr., Assistant to Earl Butz

Canada

Mitchell W. Sharp, Associate Deputy Minister, Dept. of Trade and Commerce
George McIvor, Chief Commissioner, Canadian Wheat Board
Clive Davidson, Secretary, Canadian Wheat Board
Chas. C. Boxer, Washington representative, Canadian Wheat Board
D.H. Burns, Asst. Agricultural Secy., Canadian Embassy, Washington
L.E. Couillard, Counsellor, Canadian Embassy, Washington.

SECTION B

RESTRICTIONS DES ÉTATS-UNIS SUR LES IMPORTATIONS
UNITED STATES RESTRICTIONS ON IMPORTS

372.

DEA/5420-40

*L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures*

*Ambassador in United States
to Secretary of State for External Affairs*

TELEGRAM WA-342

Washington, March 1, 1955

CONFIDENTIAL. IMPORTANT.

Reference: Your despatch No. EX-1317 of the 2 November.⁹⁹UNITED STATES CABINET COMMITTEE ON ENERGY SUPPLIES
AND RESOURCES POLICY

In yesterday's bag we forwarded to you ten copies of the recommendations of the Cabinet Committee on Energy Supplies and Resources Policy which were made public on Saturday morning, the 26th of February, in a release from the White House.¹⁰⁰ With the exception of the recommendations concerning imports of crude oil, the recommendations do not bear directly on Canadian interests, in our opinion. In the section on natural gas, for example, nothing is said about imports or exports. Nor are recommendations made about hydro-electric energy. The recommendations on coal will be read with interest by those in Ottawa who are examining the problems of the Canadian coal industry, but principally because they show how similar problems are being approached in this country.

2. On the other hand, we are seriously concerned over the recommendations on imported crude oil. The Committee states that, in its opinion, if the imports of crude and residual oils should exceed significantly the respective proportions that these imports of oil bore to the production of domestic crude oil in 1954, the domestic fuel situation would be so impaired as to endanger the ordinary industrial growth "which assures the military and civilian supplies and reserves that are necessary to the national defence." The Committee therefore recommends that, in the interest of national defence, imports should be kept in the balance that obtained last year and that this should be done by the voluntary restraint of individual importers. If, however, such restraint is not exercised, and if, in the future, the imports of crude oil and residual fuel oil exceed significantly the respective proportions that such imported oils bore to domestic production of crude oil in 1954, the Committee further recommends that "appropriate action" should be taken.

3. It seems plain that these recommendations are likely to jeopardize the plans to export greatly increased quantities of Canadian crude oil to the United States, particularly through the trans-mountain pipeline. It is true that the recommendations do not appear to have yet been formally endorsed by the President. But they have been made by a Committee which was chaired by the Director of the Office of Defence Mobilization and which comprised

⁹⁹ Voir/See Volume 20, Document 595.

¹⁰⁰ Voir/See United States, Department of State, *Bulletin*, Volume XXXII, No. 821, March 21, 1955, pp. 487-491.

the Heads of the Department of State, Treasury, Defence, Justice, the Interior, Commerce, and Labour. When we called this morning on Willis Armstrong, Deputy Director of the Office of International Trade and Resources in the State Department, we asked him whether the recommendation on crude oil were to be regarded as administration policy. In reply he said, "they were contained in a White House press release; perhaps that is answer enough to your question."

4. We also enquired whether it should be inferred from the recommendations that the Administration would be speaking to United States importers of crude oil to let them know that if imports were not held to the proportion of domestic production that they represented in 1954, "appropriate action" would be taken. Armstrong said that he doubted whether this would be done, since the Administration would be wary of taking any steps that might seem to invite infractions of the anti-trust laws. In this connection he drew our attention to the fact that it has been recommended that the limitation proposed should be carried out by "voluntary, individual action" on the part of United States importers. However, the Administration assumed that importers could read. The threat contained in the recommendation was nonetheless real and should be nonetheless persuasive even though, in all probability, it would not be communicated officially and directly to the importers. It went without saying that it would hang over the heads of those importing Canadian crude oil as well as over those importing from other foreign sources. When we suggested that, if that were the case, the recommendations would be bound to affect adversely the prospects for increasing Canadian exports to the Pacific Northwest of the United States, Armstrong said that he could not disagree.

5. That would be bad enough. But there is the further danger that these recommendation may be embodied in legislation. You will be aware that many bills have been introduced into Congress to restrict imports of oil into the United States. The obvious tack for spokesmen for the coal industry and the "independent" oil producers now to follow is to adopt as their own the recommendations of the Cabinet Committee on Crude Oil and Residual Fuel Oil and urge that they be given statutory authority. This could be done either when the new trade agreements bill is being considered in the Senate (where there is much wider freedom of debate than in the House of Representatives) or by submitting a separate bill on crude oil and residual fuel oil. Over the week-end Senator Daniel (dem.-Tex.) indicated that that was his intention. Indeed, he went further. In 1954 imports of crude oil and residual fuel oil had amounted to approximately one-eighth of domestic production. In his statement to the press he said that he would ask Congress to limit imports to one-tenth of domestic production.

6. We gathered from Armstrong this morning that it had been argued by some within the Administration that a recommendation of the kind that has now been made for voluntary restraint on the part of United States importers might serve to head off Congressional pressure for statutory restrictions. We doubt it. Moreover, it seems to us that, in the light of these recommendations by eight of the President's Cabinet officers, the Administration would be in a very poor position to resist an effort in Congress to give the degree of restriction that has been recommended the force of law.

7. We should be grateful to know whether you agree with our assessment of the seriousness of these recommendations. If you do, I think the proper course would be to instruct me to see Herbert Hoover, Jr., the Under-Secretary of State, and make our views known to him. As you know, he is in his own right a very considerable expert on petroleum problems and we gather that he represented the State Department at most of the meetings of the Cabinet Committee. My oral representations should be supported, it seems to me, by a document to be prepared in Ottawa, for the purpose of making representations we could, I

think, assume that the recommendations of the Cabinet Committee have not yet been adopted as Administration policy, although we should not allow ourselves to be deluded about their real status. After mentioning the very large imports of United States crude oil that enter Canada through Montreal and the Atlantic provinces, and after describing the projects for increasing Canadian exports to the Pacific northwest through the trans-mountain pipeline, we might refer to the fact that when the pipeline was being built the United States Navy, on strategic grounds, gave support for its construction and for the construction of additional refining capacity in the State of Washington. We might also argue that, although the defence interest of the United States might conceivably be held to require that imports of crude oil from countries overseas should be limited to the proportion they bore in 1954 to domestic production, this thesis would not seem to be valid when applied to imports from Canada. In other words, here is a case in which we might perhaps with advantage be eclectic enough to advocate a continental approach to the problem in hand.

373.

C.D.H./Vol. 28

*Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis*

*Secretary of State for External Affairs
to Ambassador in United States*

TELEGRAM EX-418

Ottawa, March 4, 1955

Reference: Your despatch [sic] WA-342, March 1st, 1955.

UNITED STATES CABINET COMMITTEE ON ENERGY SUPPLIES
AND RESOURCES POLICY

Begins. We agree that you should seek an interview with Herbert Hoover, Jr., the Under-Secretary of State, to discuss the unfortunate consequences which would ensue if United States legislation or policy should be formulated in accordance with the recommendations to which you refer in your telegram under reference.

2. We agree, on the whole, with your analysis of the line you should pursue. Our interest in the United States market is by no means exclusively restricted to the Pacific Northwest, however, and, as a second point, in view of our actual imports of crude from the United States and the growth of our own industry.

3. The remainder of this message indicates the substance of a memorandum you may wish to give Mr. Hoover along with your oral representations to indicate our views.

4. The Canadian Government has carefully noted the recommendations of the Cabinet Committee on Energy Supplies and Resources Policy which were made public on Saturday, the 26th of February, in a release from the White House. The Canadian Government is greatly concerned about the recommendations regarding imports of crude oil into the United States. If these were to be embodied in Congressional legislation or if the United States industry were led to believe that these recommendations are a reflection of United States policy, they would have unfortunate and damaging effects to which the Canadian Government wishes to draw attention.

5. Resulting from the development of the oil industry in Western Canada in recent years, there has been a development of refinery capacity and marketing plans in the United States to make use of the increasing availability of Canadian crude petroleum. Two refineries have already been constructed in the Pacific Northwest to operate on deliveries from the

Trans-Mountain Pipeline. A refinery is now being built in East St. Paul to make use of Saskatchewan medium-gravity crudes. There is a notable concentration of refinery capacity in the Detroit-Toledo area which can benefit from access to oil carried eastward by the Interprovincial Pipeline. Reference is made to this refinery capacity already in existence because of the Canadian interest and, as we think, the interest of the United States, in making sure that nothing be done to impair the usefulness of these facilities. Both economic and strategic factors point to the desirability of increasing pipeline and refinery capacity to enable Canadian crude to find markets in the United States. The Canadian Government wishes to emphasize the importance of avoiding restrictive measures in the United States which might frustrate or prevent the continuation of these desirable developments.

6. Attention should be given also to the efforts in which the United States Government has taken a leading part, along with the Canadian Government, through the General Agreement on Tariffs and Trade and otherwise, to promote the growth of worldwide multilateral trade on an economic basis and unhampered by restrictions. For the United States to embark upon a restrictive policy with regard to oil would be directly discouraging to these larger efforts.

7. From the point of view of strategic considerations, it should be borne in mind that Western Canadian oil fields are internal to the North American continent. Nothing could be more discouraging to exploration for oil and development of this strategic industry in Western Canada than the adoption by the United States of a restrictive import policy. It will be remembered that the United States navy on strategic grounds gave support to the construction of the Trans-Mountain Pipeline and for the construction of additional refining capacity in the State of Washington. If the United States Government should conclude, in its best judgment, that its defence interests require that imports of crude oil from countries overseas should be limited to the proportion they bore in 1954 to domestic production, it might be difficult for anyone outside the United States to question such a conclusion. This thesis based on defence interests would certainly not be valid, however, if applied to imports from Canada. The Pacific Northwest is at present served by pipelines from Canada, the existing alternative being to transport crude to that area by tanker, whether from United States sources or from overseas. Tanker ships and ports are so much more vulnerable in wartime than overland transport that the Canadian Government would be unable to understand any decision by the United States to restrict imports from Canada for reasons of defence.

8. On economic grounds the oil industry itself has established a pattern of development which clearly envisages an increasing use of Canadian crude oil in the North-Central and Western areas of the United States. The continental marketing pattern would seem to permit Canadian oil to enter these markets without impairing the interests of the United States petroleum industry, because it has been traditionally difficult and costly to move United States oil into those areas which can be supplied most efficiently from Canada. Canadian oil is equally unlikely to affect the interests of the United States coal industry in these areas.

9. The United States oil industry should regard Canada not merely as a competitor but also as a market as is made clear by the statistics of trade between Canada and the United States in oil and refinery products. In 1954, Canada imported in excess of \$130 million worth of crude oil and refinery products from the United States and exported only about \$7 million worth of crude oil and products to the United States. With the great growth of the Canadian oil industry, it is apparent that its products will be increasingly utilized in Canada if export markets are to be restricted. As far as the United States oil industry is concerned, therefore, it is very doubtful that any increased markets would be gained on a net

basis by implementation of the proposed recommendations in relation to Canada. A great deal would certainly be lost in terms of continental efficiency if both countries were to develop their respective oil industries along purely national lines.

10. Having referred briefly to the strategic and economic interests of both Canada and the United States in this matter, the Canadian Government wishes to draw attention to a related problem based upon the trade agreements of the United States Government. If it should be decided to impose restrictions upon crude oil imported into the United States, it might be concluded, as in 1951, that quotas should be allocated to supplying countries. If the recent and projected growth of the Canadian oil industry is taken into account, it is obvious that any allocation of quotas on past trade would be completely inadequate for Canada. This latter consideration leads again to the conclusion, on the part of the Canadian Government, that Canada at least should be exempted from any restrictive policy which might be adopted for reasons of defence. Ends.

374.

DEA/2057-40

*Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis*

*Secretary of State for External Affairs
to Ambassador in United States*

TELEGRAM EX-423

Ottawa, March 7, 1955

CONFIDENTIAL. IMMEDIATE.

Reference: Our telegram No. EX-418 of March 5, 1955.

U.S. CABINET COMMITTEE ON ENERGY SUPPLIES
AND RESOURCES POLICY

We are indicating below the two changes in our previous message which Ritchie mentioned to LePan this morning. With these changes you might proceed to make the proposed representations to the State Department. The following are the changes:

(a) In paragraph 2 (which is not, of course, part of the draft memorandum) delete the last clause since as indicated below we now consider that it would be desirable to say rather more about the importance of the Canadian market than we had originally contemplated.

(b) Delete the last sentence of paragraph 8 and insert after that paragraph the following additional paragraph to be numbered 9:

"The United States oil industry should regard Canada not merely as a competitor but also as a market as is made clear by the statistics of trade between Canada and the United States in oil and refinery products. In 1954, Canada imported in excess of \$130 million worth of crude oil and refinery products from the United States and exported only about \$7 million worth of crude oil and products to the United States. With the great growth of the Canadian oil industry, it is apparent that its products will be increasingly utilized in Canada if export markets are to be restricted. As far as the United States oil industry is concerned, therefore, it is very doubtful that any increased markets would be gained on a net basis by implementation of the proposed recommendations in relation to Canada. A great deal would certainly be lost in terms of continental efficiency if both countries were to develop their respective oil industries along purely national lines."

The paragraph which was No. 9 would now, of course, become No. 10.

375.

DEA/2057-40

*L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures*
*Ambassador in United States
to Secretary of State for External Affairs*

TELEGRAM WA-378

Washington, March 9, 1955

CONFIDENTIAL

Reference: Your teletype EX-418 of the 5th of March; and your teletype EX-423 of the 7th March.

UNITED STATES CABINET COMMITTEE ON ENERGY SUPPLIES
AND RESOURCES POLICY

Yesterday I called on the Under-Secretary of State, Herbert Hoover, Jr., to express the concern of the Canadian Government over the recommendations of the Cabinet Committee on Imports of Crude Oil. I left with him an aide-mémoire put together from your two messages under reference; and my oral representations followed the same lines.

2. Hoover seemed to be very well acquainted not only with the problems involved but also with the work of the Cabinet Committee. He said that the thinking of the Committee had been dominated by the following two objectives:

- (a) To ensure the maintenance of supplies of crude oil from Canada and Venezuela; and
- (b) To prevent the oil industry in the United States from being further "compressed", as he put it.

It was because the members of the Committee had tried to bear in mind those two objectives equally that they had decided against recommending the imposition of tariffs or quotas on imported crude oil. A tariff would probably shut out imports from Canada and Venezuela while still permitting imports from the Middle East, where production costs were lower, and would therefore be objectionable on strategic grounds. Under existing trade agreements, a quota would have to be allocated among the various suppliers and no matter what base year might be chosen would also militate against Canadian imports. Hoover thought that the larger "independent" producers in the United States, as well as the international oil companies, would try to make a success of the proposed system of voluntary restraint and would not press for Congressional action. On the other hand, some of the smaller "independent" companies would probably join with the coal producers in seeking statutory limitation.

3. When I enquired whether it would be possible to discriminate by administrative action in favour of Canadian imports on the ground that Canadian sources of supply would be available in time of war, Hoover replied that it was not intended to take administrative action. Indeed, the federal authorities did not have the power to do so. They were now giving wider and more constant publicity to the figures for imported crude oil and residual fuel oil and were depending on the state authorities that had jurisdiction over the use made of oil reserves in this country to bring sanctions to bear against firms importing in significantly larger quantities than previously.

4. I then remarked that, under these circumstances, it would seem difficult for Canada to increase its exports to the United States as had been planned. Hoover was inclined to argue that there would be considerable room for this, even under the present system of voluntary

restraint. He pointed out, first, that there would be nothing to prevent imports from Canada increasing if imports from the Middle East concurrently declined and, indeed, suggested that he hoped this would happen. He complained, for example, that oil from the Middle East had recently been dumped by the Anglo-Iranian Oil Company at east coast ports in the United States at prices as much as 50 cents below the price posted in the Persian Gulf; and he said that he had taken informal steps to have Sir William Fraser of Anglo-Iranian put under notice that this must be brought to a stop. (This he told me confidentially and "not for the record"). He also drew our attention to the fact that the warning given by the committee about further "appropriate action" in the future would apply only to a situation in which imports of crude oil and residual fuel oil were exceeding significantly the respective proportions that they bore to domestic production of crude oil last year. Some modest increase in the ratio would not bring down further United States action, Hoover said. There was also the growth factor to be taken into account, which was steadily expanding production and consumption in the United States. This would provide some further leeway for increased imports from Canada. Finally, he pointed out that the committee had recommended that the problem should be reviewed from time to time. There was always the possibility that, after review, it might be decided at some later date that greater freedom to import was desirable.

5. I drew to Hoover's attention the wide disparity last year between the value of Canadian sales to the United States of crude oil and refinery products and the value of United States sales of similar commodities to Canada. It would hardly be in the interest of the United States oil industry, I suggested, for action to be taken which would hasten a reduction in sales to Canada. Hoover agreed. But he insisted once again that all the agencies represented on the committee had come to [the] conclusion that, in the interests of national defence, the United States oil industry must be given, however informally, some protection from greatly increased imports. At this point I commented that I hoped he did not share the opinion that Canadian supplies could not be relied on in an emergency. Although disclaiming any such view, he would not be moved from the position that, for reasons of national defence, the oil industry in the United States must be protected.

6. Before I left, Hoover said that the State Department would want to reply to our aide-mémoire and set out the United States position more fully. However, I am afraid that we cannot expect much satisfaction. The effect of the new United States policy on Canadian interests will not be entirely clear, I should imagine, until it is known how the oil companies in this country are interpreting and putting into effect the committee's recommendations; but I find it difficult to resist the conclusion that considerable damage may already have been done by the White House release.

376.

DEA/2057-40

*L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures*

*Ambassador in United States
to Secretary of State for External Affairs*

TELEGRAM WA-401

Washington, March 14, 1955

CONFIDENTIAL. IMMEDIATE.

Reference: Your teletype EX-461 of the 11th March.†

UNITED STATES CABINET COMMITTEE ON ENERGY SUPPLIES
AND RESOURCES POLICY

When on Friday we answered Armstrong's questions in accordance with your instructions, he told us that the previous evening the Under-Secretary of State had called a meeting to consider the most effective methods of resisting the amendment to limit oil imports that has been proposed by Senator Neely to H.R.1.¹⁰¹ The State Department, Armstrong said, are extremely worried by the amount of support that this amendment seems to be commanding. In the course of the meeting Hoover remarked that he would very much like to have a second aide-mémoire from the Canadian Government directed specifically against the proposal to limit imports of crude oil by legislative action. This new document would not of course replace the original aide-mémoire, but could use the same line of argument.

2. In talking to Armstrong we showed little enthusiasm for this suggestion. This must have been apparent, for, an hour or so later, Raynor telephoned to stress that the request had emanated from Hoover himself and that the Under-Secretary attached considerable importance to it. Notwithstanding that, we are by no means certain that we should fall in with his wishes. As we see it, there might be the following two disadvantages in doing so:

(a) The submission of a second aide-mémoire directed against the Neely amendment might suggest that we were weakening in our opposition to the recommendations on crude oil made by the Cabinet Committee.

(b) If, with our help, the Administration were to succeed in defeating the Neely amendment, we might find them disposed to take the attitude that we should be grateful that legislative action had been prevented and not complain if results roughly similar to what might have been expected from Senator Neely's measure were produced by voluntary restraint on the part of United States importers.

3. How we should respond to Hoover's request clearly depends in part on how much worse, from our point of view, legislative action would be than the course recommended by the Cabinet Committee. Clearly, it would be some worse. But in the absence of information from the oil industry in Canada about the probably effects of the Cabinet Committee's recommendations, we find it difficult to compare the damage that would be done to our interests by the two alternative courses. On the other hand, if we can meet the Under-Secretary's wishes without compromising our own position, it would obviously be politic to do so.

4. In all the circumstances we are inclined to recommend that we should be instructed to tell Armstrong that in any new Canadian aide-mémoire we could not suppress our concern over the recommendations of the Cabinet Committee. If, however, a second aide-mémoire, using almost identical arguments and mentioning our anxiety over the committee's recommendations but directed more specifically against the Neely amendment, would be more useful to the Administration than the document they now have, we would be willing to submit a second aide-mémoire of that kind. How such a response would probably be received, we are unable to tell. Indeed, it is by no means clear to us why our original aide-mémoire is not considered fully adequate for the State Department's present purposes. But

¹⁰¹ Le 2 mars 1955, le sénateur M.M. Neely (Démocrate—Virginie-Occidentale) a proposé un amendement à la House Resolution 1 (la Trade Agreements Extension Act of 1955) qui aurait limité les importations de pétrole à 10 pour cent de la production nationale des États-Unis.

On March 2, 1955, Senator M.M. Neely (Democrat—West Virginia) moved an amendment to House Resolution 1 (the Trade Agreements Extension Act of 1955) which would have limited oil imports to ten per cent of U.S. domestic production.

we suspect the reason may be that Administration spokesmen anticipate some embarrassment if they make much use of a document which criticizes the Administration's own position. In that case, a second aide-mémoire of the type outlined would hardly meet their requirements. Nevertheless, we doubt whether we should go further than we have suggested in helping the State Department oppose the Neely amendment.

5. We should be grateful to receive your instructions as soon as possible. Armstrong gave us to understand that, if a second aide-mémoire could be submitted to the State Department, they would like to have it by the middle of the week.

377.

DEA/2057-40

*Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis*

*Secretary of State for External Affairs
to Ambassador in United States*

TELEGRAM EX-483

Ottawa, March 15, 1955

CONFIDENTIAL. IMMEDIATE.

Reference: Your telegram No. WA-401 of March 14.

U.S. CABINET COMMITTEE ENERGY SUPPLIES
AND RESOURCES POLICY

While we recognize the force of the arguments contained in your teletype, we have concluded that on balance it would probably be desirable to accede (at least partially) to Mr. Hoover's request. We are willing to do so, however, only with certain reservations. Our second aide-mémoire should be passed to the State Department under cover of a message† which would indicate that it was being supplied at the State Department's request to be made public if they so desire and that its substance was intended to confirm rather than to amend what was said in the Canadian aide-mémoire of March 8. Further the new aide-mémoire, with the exception of the first paragraph, will be identical with the aide-mémoire of March 8. The new first paragraph should read as follows:

The Canadian Government is greatly concerned about legislation being considered in the United States to restrict the imports of crude oil. Legislation of this kind would have unfortunate and damaging effects to which the Canadian Government wishes to draw attention. The Canadian Government would be equally concerned if the objectives of this proposed legislation were to be carried out by administrative action or if the U.S. oil industry were to be led to believe that the policy of the administration is to discourage imports of crude oil from Canada.

378.

DEA/3677-40

*Note du sous-secrétaire d'État aux Affaires extérieures
pour le secrétaire d'État aux Affaires extérieures*

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

CONFIDENTIAL

[Ottawa], March 23, 1955

PUBLICATION OF OUR AIDE MÉMOIRE CONCERNING POSSIBLE
U.S. CURTAILMENT OF OIL IMPORTS FROM CANADA

As you will have seen from telegram WA-443 of March 18,† a copy of which is attached, the State Department has been somewhat hesitant about publishing our aide mémoire but have intimated that they would be quite happy if we were to make it public. Since that message was received, certain developments have taken place which reinforce the arguments put forward by the Embassy in favour of early publication.

2. On Friday, the President of the Socony-Vacuum Oil Company indicated that his firm, in line with the requests of the President's Committee, had taken voluntary action to curtail imports of crude and residual oil. On Monday, the General Counsel for the Independent Petroleum Association of America appeared before the U.S. Senate Finance Committee to urge the adoption of the amendment to the Trade Agreements Bill which would limit oil imports to ten per cent of U.S. consumption. Apparently yesterday, according to the Dow-Jones ticker, the President of Socony-Vacuum became even more precise and indicated the exact percentages by which imports from Canada would be curtailed by his company.

3. These developments appeared to confirm that the U.S. market for Canadian oil, including the outlet in the Northwest for oil from the Trans-mountain Pipeline, was in real and imminent danger. They also seemed to make it desirable that the Canadian Government should publicize the steps which it had taken to discourage these legislative or voluntary actions by the U.S. Accordingly, Mr. Howe indicated to his officials this morning that he would wish to table our aide mémoire at the opening of the House this afternoon. At the same time, he would make a supporting oral statement. Later this morning, the President of Socony telephoned Mr. Howe, apparently as a result of an earlier — and vigorous — conversation which Mr. Howe had had with the President of Imperial Oil, to inform him that the position of Socony had been misunderstood by the press. Socony did not, in fact, intend to reduce its imports of Canadian oil into the Northwest, even though it might curtail imports of Canadian oil into the Eastern States. This explanation from Socony removed one of Mr. Howe's worries, but did not satisfy him entirely by any means (especially since the cuts in Eastern imports would presumably have to be more severe in order to offset the maintenance of imports in the Northwest). Plans are therefore being made for the tabling of the aide mémoire to proceed this afternoon, and an oral statement is being prepared in Trade and Commerce for use by Mr. Howe on that occasion.

4. The Embassy in Washington has been informed, and has been asked to advise the State Department, that the aide mémoire (with the revised introduction which the State Department had requested) would be made public here this afternoon and that Mr. Howe would probably be making a statement on the subject in the House of Commons.¹⁰²

J. L[ÉGER]

¹⁰² Voir Canada, Chambre des Communes, *Débats*, 1955, volume 3, 1955, pp. 2417-2418.
See Canada, House of Commons, *Debates*, 1955, Volume 3, pp. 2297-2298.

379.

DEA/3677-40

*L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures
Ambassador in United States
to Secretary of State for External Affairs*

TELEGRAM WA-484

Washington, March 25, 1955

CONFIDENTIAL

Reference: Our WA-378 of March 9.

UNITED STATES CABINET COMMITTEE ON ENERGY SUPPLIES
AND RESOURCES POLICY

We have received today from the State Department an aide-mémoire dated March 24 in reply to our first aide-mémoire on this subject that we left with the Under-Secretary of State on March 8. The text of the reply is as follows: Text begins:

“Reference is made to the Canadian Embassy’s aide-mémoire of March 8, 1955, which expressed the views of the Canadian Government with respect to the policy regarding the importation of petroleum set forth in the report of the Cabinet Committee on Energy Supplies and Resources Policy dated February 26, 1955.

“There is serious concern over the possibility of legislation which would have the effect of placing restrictions on the importation of petroleum, in all probability at a level substantially below the level which prevailed in 1954. The Cabinet Committee holds the view that the pattern of oil imports in comparison with domestic production which prevailed in 1954 should be the target for oil imports at the present time. In reaching this conclusion, the Committee has not expressed itself regarding the source or sources of these imports, and is fully familiar with the circumstances regarding imports of oil from Canada which are outlined in the Canadian Embassy’s aide-mémoire. In particular, the Committee is fully cognizant of the security implications with respect to Canadian oil and its possible importation into the United States. It is also conscious of the fact that Canada is a substantial market for oil from the United States. The Department of State is hopeful that the policy enunciated in the report of the Cabinet Committee can be implemented in such a way as to give full recognition to the factors which the Canadian Government regards as important in this situation, and greatly appreciates the clear exposition of the views of the Government of Canada set forth in the aide-mémoire under reference.” Text ends.

380.

DEA/3300-40

*L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures*

*Ambassador in United States
to Secretary of State for External Affairs*

TELEGRAM WA-497

Washington, March 28, 1955

CONFIDENTIAL. IMMEDIATE.

Reference: Your Teletype EX-556 of March 24.¹⁰³

LEAD AND ZINC

The amendment to H.R. 1 concerning lead and zinc was proposed, as you may know by Senator Bennett (R. Utah) with Senator Dworshak (R. Idaho) as co-sponsor, and calls for the imposition of a tax of 2 cents per pound on imports of lead and zinc when the market price falls below 13 cents a pound.

2. Late Friday afternoon we discussed the amendment informally with Getzin at the State Department. He spoke of the growing dissatisfaction in the domestic lead and zinc industry and of the resultant pressures being exerted by congressmen. Although the long-term stockpile program had brought some modest benefits to the industry as a whole, domestic producers were still clamouring for import restrictions. The chronic weakness in the price of zinc was, of course, the cause of all the trouble. He pointed out that since the start of the long-term program last August, the average of monthly imports of lead and zinc had not increased over the monthly average of the January-August period and had, in fact, remained at pretty much the same level. There had been, moreover, a gradual but modest increase in mine production of these metals and some mines had re-opened. He said also that they had noted a rise in the production of zinc outside the United States despite the prevailing low price. The statistical picture had improved in the United States for both lead and zinc, particularly for lead.

3. We mentioned to Getzin that Senator Bennett had remarked when presenting his amendment on the Senate floor that "domestic production still is decreasing". He replied that we could be assured that State Department would make certain that the record is kept straight in this respect. He could not hazard a guess as to the prospects of the amendment but he said he could not help feeling a little pessimistic. He remarked that the Administration still wanted H.R. 1 passed without amendments but it looked as if there would have to be some give and take on both sides.

4. In our view, we think it unlikely that HR 1 will pass the Senate unscathed, and the Bennett amendment might possibly survive. It is perhaps a little less ferocious than some of the other amendments that have been proposed and, therefore, the administration might accept it without putting up much of a fight as a gesture to the protectionists.

¹⁰³ Non retrouvé./Not located.

381.

DEA/11049-40

*Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis*

*Secretary of State for External Affairs
to Ambassador in United States*

TELEGRAM EX-598

Ottawa, March 31, 1955

CONFIDENTIAL. IMMEDIATE.

Reference: Your telegram WA-497 of March 28.

LEAD AND ZINC

You will recall that we made formal representations on this subject last May when the President was considering a Tariff Board recommendation that the tariffs on lead and zinc be increased.¹⁰⁴ The President's eventual decision not to act on the Board's recommendation was welcomed here. The situation which has now arisen is somewhat different but it poses a similar threat to Canadian producers. There has already been a question in the House of Commons about the most recent proposal and about the action being taken by the Canadian Government.¹⁰⁵

2. We realize that the proposed amendment to H.R.1 would have to proceed through several stages before becoming law. Your recent discussion with the State Department will have served to remind them of our concern in this matter, and I think it desirable that you reaffirm our views by again making formal representations. It is my hope that these views may be reflected in the testimony which Government officials will give at the current executive session of the Senate Finance Committee.

3. Please therefore make representations to the State Department by presenting the following Note.

Text begins. The Canadian Ambassador presents his compliments to the Secretary of State and has the honour to refer to the amendment to the proposed Trade Agreements Extension Act of 1955, reported to be under consideration in the Finance Committee of the United States Senate, which would impose additional taxes on imports of lead and zinc. The Canadian Government wishes to convey its serious concern about the proposal embodied in this amendment.

The tariffs on lead and zinc are bound to Canada under a Trade Agreement, and the proposed action would have damaging effects upon trade relations between Canada and the United States. If this amendment were to become law it would have a very serious impact on Canadian exports by relegating Canadian producers to the position of marginal suppliers, welcome enough when they were needed, but to be curtailed at other times.

The Canadian Government confidently believes, at the same time, that this restrictive proposal will be found to be unnecessary, since there is even less occasion at the present time for such action than a year ago when comparable proposals were rejected. The prices of lead and zinc are now markedly higher than a year ago, with a firm and expanding market for these products. In addition, it is understood that stocks in the hands of producers

¹⁰⁴ Voir volume 20, les documents 530, 531 et 533./See Volume 20, Documents 530, 531 and 533.

¹⁰⁵ Voir Canada, Chambre des Communes, *Débats*, 1955, volume 3, pp. 2455, 2558, et 2608-2609.
See Canada, House of Commons, *Debates*, 1955, Volume 3, pp. 2335, 2430, and 2478-2479.

have been greatly reduced. All of these factors confirm that the market for lead and zinc has greatly improved during the past year.

In a note of May 28, 1954, the Canadian Government protested against proposals which were current at that time to increase the tariffs on lead and zinc. The views then expressed by the Canadian Government are equally applicable in the present case.

It would be particularly difficult for Canada and other countries in the free world to understand the reasoning which could lead the United States to attach such an amendment to a bill which is designed to reduce barriers to trade. It would be equally hard from the Canadian point of view to understand why the United States would wish to inflict serious damage upon the Canadian mining industry which is of crucial importance to the defence interests of both countries. Text ends.

L.B. PEARSON

382.

DEA/3300-40

*L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures
Ambassador in United States
to Secretary of State for External Affairs*

TELEGRAM WA-544

Washington, April 1, 1955

CONFIDENTIAL. IMMEDIATE.

Reference: Your EX-598 of March 31.

LEAD AND ZINC

Yesterday afternoon we called at the State Department on Kalijarvi, Deputy Assistant Secretary of Economic Affairs, and left the note with him. In order to emphasize that our representations were not merely pro forma and for the record, we first went over the ground orally before presenting the note. After expressing the hope of the Canadian Government that the amendment proposed by Senator Bennett to H.R. 1 would be defeated, we said that we wished to remind the State Department of the following facts:

- (a) The rates of duty on lead and zinc are bound to Canada under a trade agreement.
- (b) The President rejected recommendations made by the Tariff Commission on May 21, 1954, for higher protection for lead and zinc.
- (c) Since then the situation has considerably improved: the price of both metals has risen by approximately three cents and inventories held in the United States are believed to amount to only about five weeks' supply.

2. We then added the following observations taken from the note:

- (a) If the amendment were to become law, it would seriously damage trade relations between Canada and the United States and have the effect of reducing Canada to the position of marginal supplier.
- (b) It would be difficult for the Canadian Government to understand how such an amendment could be attached to a bill designed to reduce tariffs.
- (c) The Canadian Government would find it equally difficult to understand why the United States could countenance infliction of such serious injury on the Canadian mining industry in view of its importance for the defence of both countries.

3. Kalijarvi's first response to our representations was to put a question: why had the Canadian Government decided to make formal representations concerning the Bennett amendment, although it had not taken any action when similar proposals were being considered by the House of Representatives? We replied that, although we could not be sure of the answer, we could think of a number of explanations which seemed sufficient. In the first place, although we had gathered that similar proposals were considered in the executive session by the House Ways and Means Committee, we were not aware that any formal amendments to HR 1 similar in intent to the Bennett amendment had been submitted in the House of Representatives. Kalijarvi agreed that that was the case. We also said that, so far as we could judge, there had been more optimism in Ottawa about the prospects for HR 1 when it was before the House of Representatives than there was at present. Finally, we drew Kalijarvi's attention to the drumfire of questions there had recently been in the House of Commons about the various Congressional proposals designed to limit imports of particular commodities.

4. Kalijarvi then took up our remarks about increasing Canadian doubts concerning the prospects for HR 1, as we had invited him to do. He claimed to see no reason why the bill should fare worse in the Senate than in the House. As it had been unrealistic six weeks ago to believe that HR 1 would be approved easily in the House, so it was unrealistic now to think that the Senate would emasculate the bill. The Senate, to be sure, was more independent and undisciplined than the House; and the protectionist forces admittedly were showing great strength. But the crucial importance of HR 1, at least from the symbolic and psychological point of view, was fully realized both by the Administration and in Congress. He professed considerable confidence that HR 1 would be approved by the Senate and would be enacted into law in a form not very different from what the Administration had requested. Amendments had been made to the bill in the House and no doubt other amendments would be voted by the Senate. But the measure would go through, well, almost intact. Of that he felt sure, whatever might be the fate of GATT at this session, on which he explicitly reserved judgement.

5. Then, addressing himself specifically to the Bennett amendment on lead and zinc, he said that the Administration had taken the attitude during the hearings before the House Ways and Means Committee that it was not appropriate for amendments favouring particular industries to be attached to the Trade Agreements Bill. The Administration would be taking the same line in the executive hearings before the Senate Finance Committee. When we interjected that we had heard a report that Senator Millikin was of the same mind on this question, Kalijarvi refused to be drawn. However, he left the impression with us that influential Republican Senators agreed with the Administration on this point and that it should not be too difficult to avoid all amendments of this kind, at least at the Committee stage. It may be significant that Kalijarvi confined his remarks on lead and zinc to the Bennett amendment to HR 1 and said nothing about what the Administration's position would be if other efforts were made, unrelated to consideration of the Trade Agreements Bill, to raise the tariff on lead and zinc.

6. We took the opportunity to say that, although the Canadian Government had made formal representations only on the Neely amendment to limit oil imports and on the Bennett amendment to limit imports of lead and zinc, it should not be thought that little concern was felt in Ottawa about some of the other amendments that had been introduced. Some of the amendments for widening the escape-clause, for example, might prove even more damaging, although they might not be such appropriate targets for formal representations. Kalijarvi replied that this was well understood by the Administration. However, he indicated that in all probability some escape-clause amendment would be approved by the

Senate. At the same time he stressed that everything would depend on the actual wording of such an amendment. It was conceivable that an amendment which might seem to limit the President's authority in this field would be in fact almost completely innocuous.

7. Before leaving, we reverted to the interest that has been shown in the House of Commons in the lead and zinc amendment and mentioned that the Canadian note had been given no security marking because it might have to be published in the near future. That would not be done, however, without obtaining consent from the State Department. We would also welcome the State Department's views, we said, on whether publication of the note would assist or hamper the Administration's efforts to have the amendment defeated. Kalijarvi replied that in general he could see no objection to publication. Much would depend on the timing, however. He hoped in any case that, if at some stage we wished to make it public, we would consult with the State Department beforehand. Our own opinion is that, if you wish to table the note, the present might be as good a time as any, while the executive hearings of the Senate Finance Committee are in recess until after Easter. If you do decide on that course, we should be glad to know as quickly as possible, since our conversation with Kalijarvi yesterday is not to be regarded as final clearance and we would have to get in touch with him again.

8. When reading this telegram, you will no doubt want to bear in mind that in a formal interview Kalijarvi would naturally feel obliged to take as optimistic a view as possible of the prospects for HR 1. Our anxieties, however, (as expressed, for example, in telegram WA-500 of the 28 of March†) were little, if any, diminished in the course of the meeting.¹⁰⁶

383.

DEA/3300-40

*L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures
Ambassador in United States
to Secretary of State for External Affairs*

TELEGRAM WA-613

Washington, April 18, 1955

CONFIDENTIAL. IMMEDIATE.

Reference: Your EX-696 of April 18.†

PROPOSED UNITED STATES RESTRICTIONS ON OIL IMPORTS

In speaking to Willis Armstrong at the State Department on this subject this morning, we were quite short-tempered. After enquiring about the present position of the draft United States reply and being told that it was once again on its way back from the Under-Secretary's office after failing to be approved in its present form, we said that we could not understand the reason for all the difficulty and delay. We recalled that we had been asked by the State Department to submit a supplementary aide-mémoire which could be put to public use by the United States authorities, and had agreed without delay. Our supplementary aide-mémoire had gone to the State Department more than a month ago and still we

¹⁰⁶ La proposition d'une taxe sur le plomb et le zinc a été abandonnée le 26 avril pendant les audiences du Comité sénatorial sur les finances concernant la House Resolution 1.

The proposed taxes on lead and zinc were dropped on April 26 during the Senate Finance Committee's hearings on House Resolution 1.

had not received the United States reply. That seemed a poor return for our compliance with their wishes.

2. Armstrong's only defence was to ask whether we would prefer to receive a reply that would be little more than an acknowledgment. To this we retorted that we felt under no obligation to answer that question. We felt that we deserved a proper reply. But we should not have to wait for it indefinitely. Armstrong then promised that, as soon as he had seen the notations made on the draft by the Under-Secretary, he would let us know what would be possible. He promised this information by tomorrow noon at the latest.

3. All that needs to be added to complete this sorry story is that we have been in touch with the State Department at least once a day during the past fortnight in an effort to extract the reply and have stressed repeatedly the Parliamentary problem that is involved. We now hope that the unaccustomed asperity we showed this morning will prove effective.

384.

DEA/3300-40

*L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures
Ambassador in United States
to Secretary of State for External Affairs*

TELEGRAM WA-642

Washington, April 21, 1955

CONFIDENTIAL. MOST IMMEDIATE.

Reference: Our teletype WA-641 of today's date.†

PROPOSED UNITED STATES RESTRICTIONS ON IMPORTS OF CRUDE OIL

When I called on Hoover yesterday evening, he had in front of him the United States reply to the second version of our aide-mémoire on this subject.¹⁰⁷ For that reason I did not elaborate so fully as I otherwise would have done on the difficulty that you have been caused by the delay in producing a reply. However, I did mention that Parliament has now reconvened after the Easter recess and described a little for Hoover's benefit the embarrassment that you have been in. He obviously had been made aware of this by his subordinates.

2. As you will now have seen, the reply contains extremely little. Although Hoover did not refer explicitly to its barrenness, he did outline some of the circumstances that have stood in the way of a more helpful reply. In the first place, he told us that the vote in the Senate Finance Committee on the Neely amendment would be "very, very close". He himself is to appear before the Committee within the next few days to discuss the amendment. He said that HR 1 seemed in such serious trouble that he did not propose to talk about it at all. Instead, he intended to recall that he had been in the oil business for thirty years and to argue that the surest way to fasten government control on the industry would be to have import quotas enacted. In that event, the oil industry would before long find itself in much the same position as the sugar industry, with the government virtually setting prices. That

¹⁰⁷ Pearson a présenté la réponse des États-Unis à la Chambre des Communes. Voir Canada, Chambre des Communes, *Débats*, 1955, volume 3, p. 3177.

Pearson presented the United States reply to the House of Commons. See Canada, House of Commons, *Debates*, 1955, Volume 3, p. 3021.

Hoover feels obliged to fall back on such a defensive position is perhaps as good an indication as any of the strength of the opposition to HR 1 and of the nip-and-tuck fight that is expected over the Neely amendment. Although Hoover did not spell out the implications of this situation, he clearly intended me to gather that the Administration was precluded from giving us a more satisfactory reply by fear that such a message might just be enough to tip the scales in favour of the amendment in the Senate Finance Committee.¹⁰⁸

3. Another inhibiting factor has clearly been the necessity to preserve at least an outward show of non-discrimination. Hoover told us yesterday that he had asked the legal adviser in the State Department to examine urgently whether there was any possibility of discriminating in Canada's favour and admitting publicly that this was being done. No way of doing so has been found. Obviously this difficulty would arise in the most acute form if the Neely amendment were adopted. But Hoover gave us to understand that the State Department lawyers thought it would also prevent the United States from providing any public assurance that, in implementing the policy of voluntary restriction, importers would be urged to favour Canadian sources of supply at the expense of suppliers in other countries.

4. There is no doubt, however, that this is the course the State Department are, in fact, following. Hoover said that he had spoken to Brewster Jennings, President of Socony-Vacuum, and persuaded him to maintain his company's level of imports at approximately their 1954 level by cutting back imports from the Middle East, while maintaining the planned programme of increased imports from Canada. In the short run this decision would involve some financial sacrifice for Socony-Vacuum both because of the low cost of crude oil from the Middle East and the high profits to be gained from its exploitation. However, Hoover had found that Socony-Vacuum put such a high value for the future on their Canadian interests that Jennings did not need much persuasion to agree to the method of implementing the policy of voluntary restriction that Hoover had suggested.

5. Hoover repeated yesterday the arguments he had used when I saw him on the 8th of March to support his view that the policy of voluntary restriction need not operate to the detriment of Canadian exports. He also said he was hopeful that the policy could be temporary and that unrestricted imports could be permitted before very long. Last year there had been a substantial increase in imports and a less than normal increase in consumption. As soon as the demand curve picked up significantly, however, the independent oil producers in the United States would be out of difficulty and the policy of voluntary restriction could be jettisoned.

6. Although there were some hopeful aspects in what Hoover had to say, I did not allow the interview to come to an end without re-stating our anxieties. I told him that when I had recently been in Texas, I had found that in speaking of the damage that might be done to the Canadian oil industry by either voluntary or statutory United States restrictions, I was almost invariably met with the rejoinder, "But of course, we don't want to limit imports from Canada". I had had to point out that, although that might not be the intention of those who were clamouring for restrictions, it would certainly be the result of an import quota system and might easily be the result of a system of voluntary restriction. I had also had to insist that, whatever validity there might be in the defence argument as a reason for protecting domestic production in the United States, that argument could hardly be applied to imports from Canada. United States producers would also do well, I had urged, to bear in mind the volume of their Canadian sales. Finally, I reminded Hoover that, just as there were pressure groups in the United States who thought that their own interests should be

¹⁰⁸ L'amendement Neely a été rejeté le 4 mai 1955.

The Neely amendment was defeated on May 4, 1955.

allowed to over-ride the national interest in freer trade on a multilateral basis, so there were such pressure groups in Canada. The more ground that was surrendered to protectionists in the United States, the harder it became to resist pressure from similar groups in Canada; and, if a downward spiral to restrict trade throughout the world were allowed to develop, the United States, as well as Canada and other countries, would suffer.

A.D.P. HEENEY

385.

DEA/6780-40

*L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures*

*Ambassador in United States
to Secretary of State for External Affairs*

TELEGRAM WA-759

Washington, May 10, 1955

SECRET. IMPORTANT.

Repeat to Dr. C.M. Isbister, Department of Trade and Commerce.

UNITED STATES TARIFF COMMISSION REPORT ON ALSIKE CLOVER SEED

1. The State Department handed us this afternoon in strictest confidence copy of the United States Tariff Commission report to the President on its supplemental investigation of imports of alsike clover seed. The findings of the Commission read as follows, Begins: Quote.—As a result of the investigation, including the hearing, the Commission finds:

1. That the continuation beyond June 30, 1955 of a tariff quota on alsike clover seed is necessary to prevent or remedy the serious injury to the domestic industry which, as a result of an investigation under Section 7 of the Trade Agreements Extension Act of 1951, as amended, the Tariff Commission reported on May 21, 1954 to exist by reason of increased imports of alsike clover seed; and

2. That the tariff quota so necessary is as follows: A duty of 2 cents per pound on imports of alsike clover seed entered, or withdrawn from warehouse, for compensation in any 12-month period beginning July 1 in 1955 and in subsequent years until 2-1/2 million pounds have been so entered or withdrawn during any such period, and a duty of 6 cents per pound on imports of such seed entered, or withdrawn from warehouse, for consumption during any such period after 2-1/2 million pounds have been so entered or withdrawn during such period.—Unquote. Ends.

2. Summarizing the Commission's findings, the report states:

Quote.—The evidence obtained in this supplemental investigation shows:

(1) That, in spite of the sharp decline in the surplus supplies of alsike clover seed, tariff quota restrictions on imports of such seed are necessary in order to prevent or remedy the serious injury to the domestic industry which was reported by the Commission on May 21, 1954 to exist by reason of increased imports, but

(2) that the restriction which is necessary in order to prevent or remedy such injury is a tariff quota of 2.5 million pounds of alsike clover seed dutiable at the two-cents-per-pound rate, instead of a continuation of the present quota of 1.5 million pounds dutiable at such rate. It might be noted that the 2.5 million pounds of alsike clover seed which would be permitted to enter at a rate of 2 cents per pound in any one marketing year is larger than

the actual total of imports of this seed in 4 of the 7 postwar marketing years for which import totals are now available.—Unquote.

3. The State Department must comment to the President on this report by May 18 and, therefore, if we have any representations to make, they should be in our hands by Friday of this week, May 13. In any representations which we make, we suggest that the President should take into account the prospects for a Canadian crop of seed this year and that the restrictions on imports recommended by the Tariff Commission should not extend beyond one year.

4. Copy of the report will be sent by diplomatic bag tomorrow.

386.

DEA/6780-40

*Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis*

*Secretary of State for External Affairs
to Ambassador in United States*

TELEGRAM EX-897

Ottawa, May 12, 1955

CONFIDENTIAL. IMMEDIATE.

Reference: Your telegram No. WA-759 of May 10, 1955.

UNITED STATES TARIFF COMMISSION'S REPORT ON ALSIKE CLOVER SEED

We would like you to pass on some comments to the State Department respecting the Tariff Commission's report that it is necessary to continue to enforce tariff quotas on imports of alsike clover seed in order to prevent or remedy serious injury to the domestic industry. In doing so, we would like you to acknowledge the courtesy of the State Department in making this information available to us promptly.

2. We note that the Tariff Commission has re-examined the special protective measures which were adopted last year, and have recommended that the tariff quota be increased by one million pounds a year. This latter step is welcome. If this recommendation were to be adopted, we would hope that it would be subject to a time limit of one year.

3. The Canadian Government had assumed, however, that the existing restriction would be removed after June 30th of this year. In the view of the Canadian Government, this step would be amply justified by recent developments affecting the trade in alsike clover seed. Furthermore, it is our hope that the Government of the United States will remove the present impairment to the trade concession on this item with the least possible delay. This concession was negotiated with Canada and is at present bound in the Trade Agreement in force between Canada and the United States.

4. We would like to draw attention to some of the current factors which have an important bearing on the case.

(a) The stocks held by the U.S. Government have now been completely eliminated. This should tend to strengthen the market for this product.

(b) Privately held stocks of alsike clover seed have greatly diminished in both Canada and the United States. In Canada there was a relatively small carryover of 580,000 pounds on April 1, 1955, whereas in 1953 and 1954 the end of season carryover amounted to 3 million pounds and 1.2 million pounds. This means that on June 30, when the existing

quota period terminates, Canada will have less than 500,000 pounds for both domestic use and export.

(c) It is thought that Canadian production in 1955 will probably be at about the same level as in 1954, i.e. 5.5 million pounds. This estimate is necessarily approximate, and is conditional on weather conditions and certain other factors. Adverse weather conditions could, of course, reduce the figure substantially. Assuming, however, that this is not the case and that the crop is at about the same level as in 1954, Canada will have available less than 6 million pounds of alsike clover seed for both domestic consumption and for export. This quantity is considerably less than the 6.7 million pounds available in 1954 and 12.6 million pounds in 1953.

(d) In 1954, Canada developed new markets overseas for alsike clover seed. Exports to these markets amounted to nearly 3 million pounds. While it will not be possible to supply anything like these quantities in the forthcoming crop year, because of more limited availabilities, it is hoped, nevertheless, that substantial quantities can again be sold in overseas markets. This development has diversified the outlets for Canadian alsike clover seed.

5. For your information, we would think it appropriate to convey these views to Thibodeaux in the State Department, and we do not feel it necessary to make the approach at a higher level. You may think it useful to leave an Aide Mémoire to record the views contained in paragraphs 1-4.

6. Please do not make any representations to State Department until we confirm the above with you by telephone on Friday.

387.

DEA/6780-40

*L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures
Ambassador in United States
to Secretary of State for External Affairs*

TELEGRAM WA-795

Washington, May 13, 1955

CONFIDENTIAL

Reference: Your telegram EX-897 of May 12.

UNITED STATES TARIFF COMMISSION'S REPORT ON ALSIKE CLOVER
SEED — CANADIAN AIDE-MÉMOIRE

Our telegram WA-791 of today's date contains the text of the aide-mémoire which we left at the State Department this afternoon.¹⁰⁹

2. We opened by acknowledging the courtesy of the State Department in making the Tariff Commission's report available to us promptly. We then read out the aide-mémoire and answered a few questions of fact put to us. In the course of the brief conversation which ensued, we stressed the following two points:

¹⁰⁹ L'aide-mémoire du télégramme WA-791, qui n'est pas reproduit ici, est fondé sur les commentaires contenus dans le document 386.

The aide-mémoire in telegram WA-791, which is not printed here, is based on the comments in Document 386.

(i) There did not appear to be any need to continue, as was recommended, the tariff quotas.

(ii) Even if it were deemed necessary to continue them, we were concerned by the question of principle involved, namely, that the quotas be continued for an indefinite period. We referred to what we understood to be the President's position, that wherever at all possible restrictive measures would not be instituted for a longer period than one year at a time and that all such measures would be subject to at least annual formal review. This same over-all position had been stressed in the GATT debates on the waiver granted to the United States to operate Section 22 of the Agriculture Adjustment Act.¹¹⁰ The United States representatives had made a point of the fact that the bulk of the restrictions under Section 22 were imposed on a yearly basis and consequently were subject to a formal review every year.

3. Thibodeaux thanked us for our quick reply to their invitation for our views and comments. They would be transmitted to the White House immediately. Thibodeaux expressed the view that our case was a strong one. From what he and Corse said, we take it that the State Department will file its own objections to the Tariff Commission's recommendation. We also gathered that they will object particularly strongly to the recommendation that the tariff quotas be applied for an indefinite period.

4. Burmeister, Assistant Administrator of the Foreign Agriculture Service in the Department of Agriculture, expressed his personal view to the Agriculture Counsellor yesterday that the new tariff quota of 2.5 million pounds a year will remove any injury which Canadian trade may have suffered under the smaller existing quota. He thought, therefore, that we should not object to the Tariff Commission's recommendations. He pointed out that the President had been under considerable criticism by some members of Congress because of the relatively large number of Tariff Commission recommendations which he had refused to implement. Burmeister thought that if the President accepts the recommendations of the Tariff Commission, something which is unlikely to hurt Canada, it should help to answer the administration's critics and should be of considerable assistance in rejecting recommendations on other issues in which Canada and other countries would have a more important interest.

5. It will no doubt have occurred to you, as it has to us, that the President in this case can have the best of both worlds by, on the one hand, complying with the Tariff Commission's recommendations and, on the other, specifying that the restrictive measure will apply for only one year.¹¹¹

¹¹⁰ Pour une définition de l'article 22, voir le volume 20, document 525, note 99.

For a definition of Section 22, see Volume 20, Document 525, note 99.

¹¹¹ Le 30 juin 1955, Eisenhower a limité à 2,5 millions de livres par année, pour une période de deux ans, les importations de trèfle hybride, à un taux de 2 cents la livre. Les importations dépassant ce quota étaient frappées d'un droit de douane de 6 cents la livre. Voir United States, Department of State, *Bulletin*, Volume XXXIII, No. 838, July 18, 1955, pp. 116-117.

On June 30, 1955, Eisenhower established an annual import quota for alsike clover seed of 2 1/2 million pounds for two years at a duty rate of two cents per pound. Imports in excess of this quota would be admitted at a duty rate of six cents per pound. See United States, Department of State, *Bulletin*, Volume XXXIII, No. 838, July 18, 1955, pp. 116-117.

388.

DEA/3300-40

*L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures
Ambassador in United States
to Secretary of State for External Affairs*

TELEGRAM WA-829

Washington, May 20, 1955

CONFIDENTIAL. IMPORTANT.

Repeat to M.W. Sharp, Associate Deputy Minister, Dept. of Trade and Commerce.

RYE IMPORT QUOTA

1. By request, Smith, Couillard and Hopper, attended a meeting at the State Department yesterday afternoon on the subject of rye imports. Southworth, Robinson and Pappano, of the Department of State, and Burmeister and Scholl of the Department of Agriculture, were present.

2. Robinson informed us that the Secretary of Agriculture has requested the White House to ask the Tariff Commission to review the rye import quota.

3. Burmeister then developed the rye situation in the United States about as follows:

(a) Price supports for the 1955 rye crop will be at a national average of \$1.18 or 70 percent of parity, as compared with \$1.43 or 85 percent of parity for the 1954 crop. The average price received by farmers for rye at mid-April was \$1.06 a bushel. By lowering the price support, the Secretary of Agriculture is hoping to bring the supply and demand more nearly into balance, but this will take time. The Secretary may lower the support price still further for the 1956 crop;

(b) It is expected that the carryover on June 30, 1955, will be about 14 to 15 million bushels. The estimated 1955 crop is 29 million bushels which is greater than the crop of 1954. The domestic supply, therefore, for 1955-56 will be about 43 million bushels, the largest since 1944-45. About 24 million bushels are used annually in the United States and exports are expected to be about 4 million bushels. Based on these forecasts and making allowances for some imports, the carryover on June 30, 1956, will likely be larger than on June 30, 1955. At the time of planting in the fall of 1954, farmers were aware of the reduced price support for the 1955 crop, so it would appear that the lower price supports have not checked the increase in production of rye. This increase was probably grown on land diverted from wheat production;

(c) The commodity credit corporation owns 1.7 million bushels of rye from the 1953 crop and will probably acquire 6 to 7 million bushels from the 1954 crop;

(d) The anticipated large supply of rye in the United States and the existence of section 22 of the Agricultural Adjustment Act have led the Department of Agriculture to recommend that the Tariff Commission should review the rye import quota but, Burmeister remarked, "We are not thinking in terms of tighter restrictions than are now being applied".

(e) The Canadian and Argentine positions, with respect to rye, were taken into account, said Burmeister, when the request was made for a review by the Tariff Commission, but he emphasized that the most important reason for this request was the supply and price situation in the United States.

4. We expressed the opinion that a continuation of restrictions on imports of rye would be viewed with considerable concern in Canada and we hoped that, if restrictions must be continued, the Department of Agriculture would recommend that they do not extend beyond another year. If this were not done, United States rye growers would be encouraged to continue production at a high level. In reply to this, Burmeister said that, although last year the Department of Agriculture had recommended that restrictions should be made effective for an indefinite time until the surplus had been worked off, the Department has now come to accept the view, in cases such as this where there is a hope that by lowering price supports production may be brought into line with requirements, that restrictions on imports should be applied for a short term rather than on an indefinite basis.

5. The Department of Agriculture will probably appear at the public hearing which will be held by the Tariff Commission. Although Burmeister made no commitments, we received the impression that the Department will ask for a year's extension of a quota at about the present level (we gained a similar impression from a recent talk we had with McConnell of USDA).

6. The Tariff Commission has been keeping the rye situation under review and, therefore, United States officials believe it can quickly develop its findings.

7. There was no mention of the waiver.

389.

DEA/3300-40

*Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis*

*Secretary of State for External Affairs
to Ambassador in United States*

TELEGRAM EX-996

Ottawa, May 31, 1955

CONFIDENTIAL. IMPORTANT.

UNITED STATES COMMERCIAL POLICY

We are sending you by airmail copies of Mr. Howe's speech on Canadian trade on May 25 to the Canadian Manufacturers' Association in Montreal. In the meantime we are reproducing below the text of the part of the speech in which Mr. Howe touched on commercial policy matters now under discussion in the United States Congress.

2. We would be grateful if you would bring these remarks somewhat formally to the attention of officials of the United States Administration, including State Department officials, probably Mr. Hauge of the White House staff, and officials of other Departments who might be concerned.

Text begins. Quite rightly, Canadians look across the border at their friends in the United States to see how the wind is blowing as far as commercial policy is concerned. For in trade matters it can be said that, as the United States goes, so goes the world.

We can all draw encouragement from recent events. After a prolonged debate, the Trade Agreements Extension Act of 1955 was approved in the House and the Senate. This does not mark a significant step forward but it is nevertheless some progress. More important than the substance of the measures, which are in course of being approved, is the assurance that for the present at least United States commercial policy appears to have been stabilized. The United States is beginning to make clear its intentions that international trading

arrangements are to be strengthened by its actions. This is an exceedingly important development which none of us should underestimate and is one strong reason why I have some confidence in the future.

May I offer a brief comment on one of the amendments introduced by Congress into the Trade Agreements Extension Act. I refer to the amendment which recognizes that imports may adversely affect the national security of the United States.¹¹² It is provided that measures may be adopted in such cases to reduce imports to a level consistent with the national security. The new Act provides the President with a great deal of discretion with regard to its implementation. It is appropriate, therefore, even at this early stage, to express the hope that the President will recognize that the security interests of the United States are vitally affected by its trade relations with other countries and particularly with Canada.

We, in Canada, are aware that the strength and unity of the free world depend, more than anything else, upon a sound foundation of multilateral trade arrangements. The events of the past ten years have confronted all countries with temptations to pursue trade policies which would be attractive enough in the short run but which would only lead to trouble. Some countries have dabbled with high tariff protection, others with exchange controls and discriminatory restrictions. In all cases these misguided efforts have reacted against the countries which initiated them. In some notable instances, these efforts have been dismantled. There are lessons to be learned from all of this experience. In economic terms, individual countries cannot afford to weaken their productive efficiency by policies of high protection. In terms of peace and security, the free world is not strong enough to endure the international bickering and disunity which would accompany the growth of barriers to trade. For this reason, I hope that, if the United States does consider imposing restrictions upon imports to safeguard its national security, it will not overlook the detrimental effects which such action might have upon those very same interests. Text ends.

¹¹² Le 26 avril 1955, les sénateurs Harry F. Byrd (Démocrate—Virginie) et Eugene D. Milliken (Républicain—Colorado) ont proposé un amendement qui permettait de limiter les importations de certains produits lorsque celles-ci nuisaient à la sécurité nationale. Cet amendement est devenu la Section 7 de la Trade Agreements Extension Act of 1955. L'Administration avait bien réussi à rejeter les divers amendements visant l'imposition de restrictions juridiques aux importations de pétrole, de plomb et de zinc, mais sa décision d'accepter l'amendement susmentionné pour garantir l'adoption au Congrès de la H.R. 1 de la Chambre a été largement (et à juste titre) perçue par le monde des affaires canadien comme une nouvelle menace protectionniste pesant sur les exportations canadiennes des produits en question.

On April 26, 1955, Senators Harry F. Byrd (Democrat—Virginia) and Eugene D. Milliken (Republican—Colorado) proposed an amendment under which import barriers could be imposed when the importation of certain commodities adversely affected national security. This became Section 7 of the Trade Agreements Extension Act of 1955. Despite its success in defeating the various amendments designed to impose legislative restrictions on oil, lead and zinc imports, the Administration's decision to accept this amendment in order to secure passage of H.R. 1 through Congress was widely (and accurately) assumed in Canadian trade circles to expose Canadian oil, lead and zinc exports to renewed protectionist pressures.

390.

DEA/3300-40

*Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis*

*Secretary of State for External Affairs
to Ambassador in United States*

TELEGRAM EX-1005

Ottawa, May 31, 1955

CONFIDENTIAL. IMPORTANT.

HARDBOARD

The following paragraphs contain the text of an aide-mémoire on hardboard which you might leave at an appropriate level in the State Department.

Text begins. The Canadian Government wishes to draw to the attention of the United States Government the serious concern which is felt about a proposal to increase substantially the United States duty on imported hardboard. This proposal is understood to have been included by the Senate Finance Committee as a rider in a bill HR 5559, "to make permanent the existing privilege of free importation of gifts from members of the armed forces on duty abroad." The United States hardboard industry has recently been investigated by the United States Tariff Commission and the resulting report is not such as to support increased tariff protection. It is hoped, therefore, that strong efforts will be made, within the United States Government, to defeat this present measure which would have damaging effects upon the trade of other countries, including Canada, and damaging repercussions upon the attitudes of other countries in their trade relations with the United States.

It will be recalled that the Canadian Government made representations to the United States Government in a note of July 19, 1954, on the previous occasion when this measure on hardboard was before Congress. The Canadian Government drew attention in that note to the fact that tariff paragraph 1413, under which hardboard is imported into the United States, was negotiated with Canada and is bound by trade agreement.

To make brief reference to the events which have ensued, on August 9, 1954, the Senate Finance Committee directed the United States Tariff Commission to make an investigation of the hardboard industry and of the import classification of hardboard. In its report the Tariff Commission dealt only with the technical question of the classification of hardboard and it found hardboard to be a distinctive article of commerce of sufficient importance to justify specific enumeration thereof in the tariff schedules. In the majority findings, it was made clear that the Tariff Commission had not been asked to investigate the rate of duty appropriate to hardboard nor did it make any recommendations regarding the tariff rates themselves. The minority findings went further to say that "no information which they obtained in the course of the Commission's investigation, indicates a need for revising those rates at this time." In the statement of findings of the Commission it was said, "The domestic hardboard industry thus far has not invoked the escape clause procedure or otherwise claimed to be seriously injured or to be threatened with serious injury as a consequence of increased imports of hardboard."

In summary, while some support was given to the idea of a technical reclassification of the item of hardboard, there was no support whatsoever for increased duties, nor does a careful study of the report show any justification for increased duties.

Representatives of the Canadian industry affected went to Washington to appear at the hearings which were arranged by the Tariff Commission. The Commission made exhaustive studies and took evidence representing different points of view. When the Tariff Commission report was published, the Canadian Government felt this matter to have been disposed of after a fair and exhaustive study.

Hardboard manufacturers have evidently been expanding in the United States and doing well. According to the report, of 11 domestic plants producing hardboard in 1954, two of them commenced operation in 1954, two in 1953, one in 1952 and one in 1951. According to the figures of the Tariff Commission, almost half of the rated capacity of the industry in 1954 has been constructed since 1947. The Tariff Commission report indicated in addition that four or five hardboard mills were being planned at the time, with one actually under construction, and another to be started shortly.

With production and consumption rapidly increasing in the United States, and with imports still accounting for a very small percentage of domestic production, it is difficult to see any need for increased tariff protection. If this new rider, which has been attached to the bill, "to make permanent the existing privilege of free importation of gifts from members of the armed forces on duty abroad," were to become law, it would be quite contradictory to the spirit and intentions of the General Agreement on Tariffs and Trade, which governs trade relations between Canada and the United States. The Canadian Government has on several occasions made clear the concern which is felt about the widening scope of escape clause procedures in the United States. Moreover, in this case action is being proposed which is entirely outside the procedures which have been established. Text ends.

391.

DEA/3300-40

*L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures*

*Ambassador in United States
to Secretary of State for External Affairs*

TELEGRAM WA-902

Washington, June 1, 1955

CONFIDENTIAL. IMPORTANT.

Reference: EX-1005 of 31 May, 1955.

HARDBOARD — RECLASSIFICATION WITH RESULTING INCREASE IN DUTY

The text referred to in the message under reference was delivered this afternoon to the State Department. It was warmly received and Kalijarvi, Deputy Assistant Secretary for Economic Affairs, expressed the hope that their efforts to have the amendment defeated by the Senate would be successful. They left us with no doubt that they regard this measure with great alarm as striking at the very root of their foreign economic policy.

2. Unfortunately, at about the same time that they were giving us words of encouragement, the Senate passed the bill apparently without any argument, and with only a few Senators present on the floor. This action took the State Department entirely by surprise. We had been given to understand that the State Department and the White House had both mustered considerable support in opposition to the amendment. It will now go to the House, and we are again assured by the State Department that they are taking every possible action to have it defeated, there or in conference.

3. We are hoping to see Mr. Samuel Waugh, Assistant Secretary for Economic Affairs, tomorrow morning, to further emphasize our concern over this matter, but it must be admitted that, so far, the State Department have been singularly unsuccessful in imposing their will on Congress. While there is a hope that the measure will be referred to conference and there defeated, we must be prepared to face the fact that the bill with its amendment may go to the President for signature.

392.

DEA/3300-40

*L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures*

*Ambassador in United States
to Secretary of State for External Affairs*

TELEGRAM WA-912

Washington, June 2, 1955

CONFIDENTIAL. IMPORTANT.

Reference: Our WA-902 of June 1, 1955.

HARDBOARD — RECLASSIFICATION WITH RESULTING INCREASE IN DUTY

We took up the question of hardboard with Samuel Waugh, Assistant Secretary for Economic Affairs, this morning, and left him in no doubt of the great concern that is felt by the Canadian Government over the procedure followed in this case to amend a tariff item that was bound in a trade agreement with Canada. I emphasized the fact that this would be damaging to one particular Canadian industry, but that we are particularly concerned over the procedure and the precedent that it might establish if the bill were to become law.

2. Waugh was equally emphatic in insisting that the State Department and the Administration were just as concerned as the Canadian Government, and insisted that they were doing everything possible to have the amendment defeated. The State Department has been in direct touch with Hauge, pointing out the danger that this procedure holds for the conduct of the President's economic policy.

3. Although the State Department were taken by surprise by the action of the Senate yesterday, they are now hoping that the bill will be referred to conference, and that it will be dealt with satisfactorily there.

4. Waugh went on to give as his personal opinion that if the bill, as amended, were to pass the House, or be accepted in conference, the President would veto it. This is, of course, only a personal view, but it was pointed out that if the President did veto the bill, it would be possible to introduce another bill similar to H.R. 5559 that dealt with freedom from duty on gifts from United States servicemen abroad, and to have it passed in the present session without any difficulty.

5. On the question of publicity, Waugh made it clear that they would have no objection to any publicity that the Canadian Government would wish to give to this measure and our representations. The press here is aware of the fact that I was at State Department this morning, and that hardboard was discussed. (I have admitted our protest.)

6. The bill came up in the House this afternoon, but on a motion from Jere Cooper, the majority leader, it was laid over for consideration until Monday when the House reconvenes. It was apparently agreed between Cooper and Rayburn, the Speaker of the House, that the bill would not be dealt with today. There is, therefore, a possibility that the bill will

go to conference, but there is strong pressure to have the amendment debated on the floor of the House where, we are told, it would stand a more than even chance of being passed.

7. There is nothing more that we can do here at the moment. We are keeping in close touch with the situation and will let you know what develops.

A.D.P. HEENEY

393.

DEA/3300-40

*L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures*

*Ambassador in United States
to Secretary of State for External Affairs*

TELEGRAM WA-1042

Washington, June 23, 1955

CONFIDENTIAL. IMPORTANT.

Reference: Our telegram WA-998 of June 16th, 1955.†

HARDBOARD; RECLASSIFICATION WITH RESULTING INCREASE IN DUTY,
H.R. 5559

The bill under reference, with its amendment incorporating the proposed change in classification of hardboard, was sent to conference yesterday on a motion by Jere Cooper. This at least assures that the matter should be given more consideration by responsible legislators who presumably will be better informed and better able to appreciate the seriousness of this amendment than would the House of Representatives as a whole.

2. It is possible that the conferees will consider this matter tomorrow, but it is more likely that it will be dealt with sometime next week.

3. In the meantime, the State Department has received a very strong message from the United States Embassy in Ottawa, copy of which was given to us in confidence by a member of the State Department. This message was not classified, but presumably, in the interests of protecting the official who passed it on to us, it would be advisable not to admit to the Embassy that we have seen it. The message reads as follows:

"Canadian Government and press very concerned over what is considered highly inappropriate and improper manoeuvre used in connection with hardboard rider, and particularly at effort, in defiance of GATT, to win protection for United States hardboard industry, as the Tariff Commission had established fact industry had not suffered from foreign imports. Minister of Trade and Commerce Howe personally protested strongly to me, and Secretary External Affairs Pearson was most caustic when discussing matter with Embassy officer.

"On June 6th Howe gave Parliament text of Canadian Government note of June 1st to United States, and stressed that if rider "were to become law it would be quite contradictory to the spirit and intentions of GATT." Opposition Leader Drew made statement in reply which fell little short of impugning United States good faith with respect to GATT commitments, and another member suggested possible retaliation.

"Press has inflated issue far beyond real economic importance to Canada and its attitude generally one of affront that United States interests would resort to such a back door method to, in effect, nullify GATT. There has been unusually widespread comment on "the

clever little hardboard rider” which has been outspokenly criticized as a devious trick in violation of United States GATT obligations.

“In Embassy’s opinion, it is very unfortunate that hardboard rider issue should have come up at a time when protectionist sentiment in Canada is at flood levels and has already succeeded in forcing some concessions from the government.

“Department of Trade and Commerce Deputy Minister Bull informed Embassy Friday evening that government considers this “a most serious incident” and expressed view that it might have serious repercussions on Canadian Government’s ability to maintain liberal trade policy.”

4. It will be seen from the above that the representations made by Mr. Howe and Mr. Bull have had considerable impact on the Embassy. Moreover, the State Department appear to have been genuinely relieved to have such a strong message from Canada, and told us that it has been brought to the attention, among others, of Gabriel Hauge and Sherman Adams. It is hoped, therefore, that the conferees will stand firm and defeat the amendment. However, it is quite impossible to predict what will happen when the bill comes up for consideration in conference.

5. Senator George, who has probably been the key to this question, is in hospital and unless the conferees decide to wait until he is able to attend to business again, it may be that the Senate will put in a substitute in Senator Frear. The substitution of Senator George may act in our favour, since it seems that he is determined to support the amendment. This seems difficult to believe, as we had been under the assumption that if the facts of the case were made known to Senator George he would automatically seek a way out from his dilemma of having supported the issue in the first place. However, we have seen a copy of a letter that Senator George wrote to the league of women voters, which was dated June 13th, and which could have been written by the Secretary of the Hardboard Association. It is full of mis-statements and completely ignores the fact that the Customs Court has confirmed that hardboard is properly classified under 1413. It is therefore generally assumed that Senator George is not acting out of ignorance of the facts but has come down firmly on the side of the hardboard amendment even if he may have been aware of the full facts of the case.

6. The fact that Cooper has been successful in referring the bill to conference at least is encouraging, and there is still hope that the amendment will be eliminated, and that we will not have to reply on a presidential veto as a last resort.

394.

DEA/6780-40

*L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures
Ambassador in United States
to Secretary of State for External Affairs*

TELEGRAM WA-1052

Washington, June 24, 1955

CONFIDENTIAL. IMMEDIATE.

UNITED STATES TARIFF COMMISSION REPORT ON RYE

1. We have just received in confidence from the State Department the report of the United States Tariff Commission on its investigation on rye, rye flour and rye meal. The

Commission recommends that imports be limited to an aggregate maximum quantity of 95,200,000 pounds, of which not more than 8,000 pounds may be rye flour or rye meal in any twelve month period, beginning July 1, 1955, and subsequent years. The report was signed by all of the four Commissioners who participated in the investigation.

2. Among the considerations of the Commission on their findings and recommendation the report states that domestic utilization of rye in the 1954-55 marketing year is estimated at 24 million bushels, indicating a carryover of about 15 million bushels on July 1, 1955. Such a carryover, it is stated, would exceed by a substantial amount the carryover in any year since the war period, except on July 1, 1954, when the carryover amounted to 14.9 million bushels. The report also states that in three important rye producing states (North Dakota, South Dakota and Minnesota) where rye is planted principally for grain and where the highest proportions of the crop are sold off farms, the 1955 crop is expected to be 28 percent higher than the 1954 crop and the domestic utilization is not expected to be significantly higher than in the current year. Therefore, supplies of rye in 1955-56 will exceed requirements in that year even if imports for 1955-56 are substantially curtailed.

3. The report goes on to state that the quantity of rye in Canada for carryover on August 1, 1955, is estimated to be about 16.5 million bushels, which is the highest carryover into any marketing year since 1940-41, except for the year 1954-55.

4. Canadian rye moving into principal United States markets, continues the report, enjoys a freight rate advantage over domestic rye moving into the same markets and it might appear that United States farmers located near the border would take advantage of the lower Canadian freight rates and ship their rye in bond to Fort William and thence to Chicago.

5. Another point in the report is that of the 1954 crop in North Dakota 85 percent was put under price support, in South Dakota 73 percent, and in Minnesota 42 percent. This will no doubt also be true with respect to the 1955 crop.

6. One significant recommendation is that during any twelve month period, beginning July 1, 1955, and in subsequent years, not more than 93,296,000 pounds shall be imported from Canada and not more than 1,904,000 pounds from other foreign countries.

7. The State Department has been asked to present comments to the President on Monday, June 27, and, therefore, would appreciate any comments which you may wish to make to the State Department tomorrow, June 25.

8. Please telephone this message immediately to Mr. G.N. Vogel, of the Department of Trade and Commerce, at his home.

395.

DEA/6780-40

*Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis
Secretary of State for External Affairs
to Ambassador in United States*

TELEGRAM EX-1159

[Ottawa], June 27, 1955

CONFIDENTIAL. IMMEDIATE.

Reference: Your telegram WA-1052 of June 24.

UNITED STATES TARIFF COMMISSION REPORT ON RYE

The following confirms the text of the aide-mémoire telephoned to Hopper this morning for presentation to the State Department.

Text Begins. The Canadian Government has been informed in confidence that the United States Tariff Commission has recommended that imports of rye be limited to an aggregate maximum of 95,200,000 lbs. of which not more than 8,000 lbs. may be rye flour or rye meal in any twelve-month period beginning July 1, 1955, and subsequent years.

This recommendation represents a reduction of approximately 50 per cent from the quota in effect during the present crop year and is very much smaller than average imports during any representative period since the end of the war. The quota for the present year which is now in effect was based on average imports during the preceding three years, a period which was accepted as representative by the Tariff Commission in its report of March 8, 1954. When import quotas have been proposed to safe-guard an agricultural program of the United States Department of Agriculture, the Canadian Government has demonstrated its willingness to examine such proposals in an attempt to ensure that they appear reasonable having in mind the prevailing levels of trade and the purpose which such quotas are designed to serve. The Canadian Government has stated, however, that it would regard as unreasonable and unwarranted the use of import quotas to exclude normal imports, that is, imports which would have entered normally and in the absence of any United States price support or other domestic agricultural program. The quota recommended by the Tariff Commission is, in the opinion of the Canadian Government, far below the level of normal imports. In this connection, it is significant that the United States Department of Agriculture in its representations to the Tariff Commission recommended a continuation of the quota now in effect.

The Canadian Government feels sure that in making his decision the President will have in mind the importance which the Canadian Government attaches to this case and the Canadian Government hopes that the recommendation of the Tariff Commission will not be accepted. If the President finds that an import quota is necessary, the Canadian Government submits that the quota should be established at a level not lower than the quota in effect in the present crop year and for one year only. Text ends.

396.

DEA/6780-40

*L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures
Ambassador in United States
to Secretary of State for External Affairs*

TELEGRAM WA-1063

Washington, June 28, 1955

CONFIDENTIAL

Reference: Your EX-1159 of June 27.

UNITED STATES TARIFF COMMISSION REPORT ON RYE

1. Yesterday afternoon we presented to Kalijarvi, Deputy Assistant Secretary of State for Economic Affairs, the aide-mémoire, text of which was contained in EX-1159 of yesterday. Robinson, Southworth and Diroll of the State Department were also at the meeting.

2. We called attention to the fact that in 1951-52, which was one of the years included in the representative period by the Tariff Commission, less rye was imported by the United States than in any other year, except one, during the past fifteen years. We remarked that Section 22 provides that the President shall determine the representative period.

3. We commented on the fact that, if the representative period mentioned by the Commission is used, the Commission has reached the lowest limit allowed by the law in its recommendations in respect to the quantity of rye that may be imported.

4. We referred to the recommendation of the United States Department of Agriculture which was presented in the Department's brief at the Tariff Commission hearing, and emphasized the point made in the aide-mémoire that, even if there were no price supports, our normal exports of rye to the United States would be larger than the quota recommended by the Commission.

5. Kalijarvi remarked that he unfortunately had not had time to review the Commission's report but, in the light of our representations, he was of the opinion that the Commission's recommendations were quite drastic and the State Department would do what they could to modify them.

6. Please send a copy of this message immediately to Mr. M.W. Sharp, Associate Deputy Minister of Trade and Commerce.¹¹³

397.

DEA/3300-40

*L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures
Ambassador in United States
to Secretary of State for External Affairs*

TELEGRAM WA-1070

Washington, June 29, 1955

CONFIDENTIAL. IMPORTANT.

Reference: Our teletype WA-1042 of June 23.

HARDBOARD: RECLASSIFICATION WITH RESULTING INCREASE IN
DUTY — H.R. 5559

Because nothing was emerging from the conference on this item and the end of the month (when free entry privileges for United States forces will expire) was rapidly approaching, I spoke to Governor Sherman Adams at the White House yesterday and expressed to him personally the very serious concern of the government lest this amendment be allowed to go through. I repeated that we took the darkest possible view of the procedure which left us without any means of effective representations.

2. Adams said he would look into the matter at once and he has just called me this morning to say that "he would not worry about it". The administration disliked the procedure as much as we did. It was "a sleeper" and they did not propose to allow it to become

¹¹³ Le 30 juin 1955, Eisenhower a fixé un contingent d'importation annuel de 186 millions de livres pour le seigle. Voir United States, Department of State, *Bulletin*, Volume XXXIII, No. 838, July 18, 1955, pp. 117-119

On June 30, 1955, Eisenhower established an annual import quota for rye of 186 million pounds. See United States, Department of State, *Bulletin*, Volume XXXIII, No. 838, July 18, 1955, pp. 117-119.

law. He had some grounds for hoping that the amendment would be knocked out in conference. If it were not, the President's advisers would certainly recommend that "it be knocked on the head".

3. This, of course, is encouraging, but I would still not be certain that "the politics" of the situation may not result in this unfortunate amendment being included. Incidentally, Adams spoke to me on a very private and personal basis, and I would be grateful if his confidence were strictly observed in Ottawa.

A.D.P. HEENEY

398.

DEA/3300-40

*L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures
Ambassador in United States
to Secretary of State for External Affairs*

TELEGRAM WA-1191

Washington, July 15, 1955

CONFIDENTIAL

Reference; Our WA-1158 of July 12.†

RECLASSIFICATION OF HARDBOARD

1. The Conference Committee on Hardboard met again this afternoon and agreed to delete the Hardboard Amendment from HR-5559. Although the meeting was in executive session, we have been told in confidence that the agreement to delete the Hardboard Amendment was reached only after bitter debate. Apparently Senator George was determined the reclassification should be effected, and it was only because Cooper was armed with the letter from the President stating that the amendment would be a direct violation of United States international agreements, that he was successful against all efforts of George and his supporters to put the amendment through.

2. We also understand that at one point in the argument one Senator asked if the Customs Court had ruled on the question of classification. When Cooper reported that the New York Customs Court had done so recently, he was challenged by the Secretary of the Senate Finance Committee, who claimed that the ruling did not deal with the problem of whether or not the product should be classified under paper sections, or the wood sections of the tariff. Cooper, however, was able to read the ruling from the Customs Court, and in the face of this the opposition agreed to the deletion but insisting upon further examination of the question by the Committee on Ways and Means.

3. We understand also that the Hardboard Association has now admitted privately that their principal objective is protection. This, as you know, they have never admitted publicly. We are informed by Abitibi that, based on Canadian export figures of hardboard for the month of May, it can be shown that the Masonite Corporation imported from Canada in that month hardboard to the amount of about three million square feet. They arrived at this conclusion by deducting Abitibi and Canadian Forest Products shipments from the totals as reported by the Dominion Bureau of Statistics.

4. We understand that Abitibi are preparing a brief for their importer who will testify at the coming Ways and Means Committee hearings. We have informed Canadian Forest Products of the decision and we will advise them that while they themselves could testify,

we think that this would not favour their case. It might be construed as unwarranted interference by a foreigner in a domestic matter.

5. While it is good to know that the efforts being put forward by all concerned have been successful, nevertheless it is regrettable that the Canadian companies concerned are to be forced to spend considerable funds in further legal expenses in order to protect their position when the domestic industry has never shown that it is in need of protection and when the report of the Tariff Commission has not been given any real consideration.

6. We believe that our position is fairly secure. It would, in our opinion, be difficult for the President not to veto HR-264, which is exactly the same as the amendment to HR-5559, in the event that it could be rushed through Congress this session. Nevertheless, we cannot expect the Canadian interests to let the hearings go by default. We are advising them that whatever defence they organize should be along the line that is basically of little consequence if hardboard is reclassified or not, but that the rate of seven and one half percent is protected by international agreement and that the local industries have not produced any evidence to show that they are being damaged by imports.¹¹⁴

A.D.P. HEENEY

399.

A.D.P.H./Vol. 1

*La Direction économique
à l'ambassadeur aux États-Unis
Economic Division
to Ambassador in United States*

PERSONAL AND CONFIDENTIAL

Ottawa, July 28, 1955

Dear Mr. Heeny:

Pressure of work while Ed [Ritchie] was away prevented me from attending more promptly to your request for a note on the meeting which you had with officials here on July 7.

The officials who were present at the meeting feel that it would be best to regard it as an informal conversation and they would prefer that no record of the meeting be kept because they were talking quite informally. I have therefore been asked to write you a personal and confidential letter about the meeting. The following paragraphs contain my notes.

On July 7 Mr. Heeny met with Messrs. Bryce, Plumptre, Sharp, Isbister, Rasminsky, Hockin, Barrow and Bridle in the Privy Council Office to discuss some aspects of Canada's commercial relations with the United States.

Mr. Heeny said that he sometimes felt that the extent to which the hard facts of political life determine United States economic policy is not always appreciated in Ottawa. In the last analysis, if the wishes of a substantial section of voters had to be weighed against the views of the Canadian Government on a specific economic issue, the former would win out. There is often a point of diminishing returns beyond which there is no point in pressing Canadian protests. On this question, as on the question of the right time at which to make a protest, Mr. Heeny felt that Ottawa should rely on the Embassy's judgment. In

¹¹⁴ À la fin de juillet, les audiences sur la H.R. 264 de la Chambre ont été reportées jusqu'à la prochaine session du Congrès.

Hearings on H.R. 264 were postponed at the end of July until the next session of Congress.

any case, there was a question in his mind as to how much profit there is in our filing protests on one matter after another, almost always in the same vein and in terms of well-known general principles. He felt it was important that Ottawa should understand how Canadian views and actions are regarded in Washington, and he encourages his officers to report these re-actions. This, he felt, was as important as presenting and supporting Canadian views or obtaining information about United States views and intentions.

Mr. Rasminsky said he could understand Mr. Heeney's feeling about repetitive protests but he wondered if there is really an acceptable alternative. It is perhaps inevitable that one becomes boring or appears doctrinaire if one continually enunciates a principle. Admittedly this is what Canadian representatives do in the O.E.E.C., in the Fund and in discussions with United States officials in Washington. The question really is whether there is not a certain point in this. We should not underestimate the influence which Canada can wield on behalf of liberal commercial policies. As long as Canada continues to pursue such policies herself, her representatives can uphold them with some effect. So far as Washington is concerned, there is of course no doubt that the State Department stands on the side of liberal commercial policies, but our representations can frequently help them to substantiate their case in discussions with other Departments and agencies or before Congress. In the White House the President, whose own views are liberal, is surrounded by advisers who must be open to political arguments, and it must be useful to remind them from time to time of the way United States policies are viewed abroad, and of the sort of commercial policies which successive Administrations, including the present Administration, have endeavoured to uphold in spite of Congressional opposition. Reverting to the Canadian side of the question, Mr. Rasminsky noted that perhaps in part as a result of the vigour of Canadian protests the United States had so far refrained from taking actions which seriously damage Canadian interests or which raise in an acute form the possible need for retaliatory action.

Mr. Sharp felt that we had to be very careful in adopting public attitudes on such questions as surplus disposal and import restrictions, not to imply that we might take retaliatory or corrective action unless we were in fact prepared to do so. At the same time he did not feel that our protest on United States wheat disposal was without real justification. Indeed, it was essential for us to state our views and, if necessary, to go on stating them. Mr. Heeney conceded this but felt that this was nevertheless a good example of a case in which we should be realistic in our approach and at least recognize the bedrock of the American problem.

It was agreed that the Embassy's views on how long and hard to press a particular protest should be a major determining factor; and it was made clear that officials in Ottawa welcome advice as to how Canadian views are received or regarded in Washington. On the main question of the nature and scope of Canadian representations, it was agreed that representations in terms of principle and in relation to international obligations should still be made, though occasionally the Canadian case might be put on more restricted grounds.

The other main point made by Mr. Heeney related to the trend of Canadian commercial policy. He said it was important to him, in his relations with United States officials and members of the United States Government, to have a reasonably accurate fund of information about the direction in which Canadian commercial policy is moving. He hoped that officials in Ottawa would bear this need in mind. More specifically, he had recently noted indications, which were by no means conclusive, of a growing groundswell of protection in Canada and even in Canadian Government circles. He asked for information on this point.

Mr. Plumptre said it is certainly true that the tide of protectionism is rising in Canada. This is borne out by the representations, both oral and written, received by his Department. On the other hand, one could hardly say that government policy has given much sign of being moved in a protectionist direction. Recent tariff changes, both in the budget and subsequently, have been modest and reasonably well balanced; nor have the findings of the Tariff Board been open to much criticism from the supporters of liberal tariff policies. Ministers seem to be increasingly aware of the attitude of the manufacturing interests. By and large, however, he felt that there was no disposition to be impatient and that the government would stand by the main tenets of present Canadian commercial policy so long as developments outside Canada, particularly in the United States, did not move in a restrictive or protectionist direction.

Mr. Bryce thought that the relative political power of the exporter is declining and that in perhaps ten years, the political climate will be such that the influence in Ottawa of the farmer, the producer of primary products, and even of the consumer, will be a good deal less than that of the manufacturing and industrial interests. This will not necessarily mean that a high tariff policy, or any other sort of "national" policy would necessarily be best for the economy — or for the consumer — in the long run; but there was a real possibility of such a policy becoming popular. Any serious worsening of domestic or international economic conditions would of course make this the more likely.

Mr. Sharp remarked that civil servants might seem to have become the heirs of the "Liberal" tradition in commercial policy.

Dr. Isbister suggested that at the present time exports represent the major part of the rise in our G.N.P. and that, at least from the economic point of view, it would be a mistake to underestimate the importance of exports now and in the foreseeable future. With this there was general agreement; it also seemed to be generally felt that, at least for the foreseeable future, the interests of exporters, and the interest of consumers in competitive trading conditions would continue to be very important politically.

Mr. Rasminsky doubted if the time had yet come, or necessarily would come, when it could be said that Canada was embarking on protectionism. He thought that basically our commercial policy remains the same, and that the most important single factor likely to affect it one way or the other in the immediate future is the nature of the commercial policies followed by the United States, the United Kingdom and the countries of western Europe. The trend of economic conditions in the United States would also be an important factor.

Mr. Bryce concluded that, on balance, it was certainly too early to say that there has been any change in Canadian commercial policy, or that there is likely to be a significant change in the foreseeable future. He thought that Mr. Heeney should, and confidently could, continue to uphold the banner of Canadian liberalism in commercial policy matters. Mr. Heeney accepting this, added that he thought he ought occasionally to warn his American friends that protectionist policies in the United States would almost certainly give rise to similar policies here. He was the first to admit, however, that this prospect might cause less grief in Washington than we would wish; indeed, Mr. Heeney said, in answer to a question, that when we sin, as we occasionally do even now, our transgression causes hardly a ripple in the United States. It seemed to be felt, however, that official circles watch our actions quite closely and know how to evaluate — or occasionally to regret — Canadian actions which now and then fall short of our declared policies.

Mr. Heeney expressed his appreciation of the exposition of Canadian commercial policy which his enquiries had elicited. He concluded by saying that 70% of his Embassy's

time is now devoted to economic and financial work. This means that officers from several departments have to share this work. Within the numerical limitations of available staff, they were doing their best to give us the service we require and want. Speaking for the officials present, Dr. Isbister expressed appreciations of the Embassy's painstaking and energetic work in the economic field. Mr. Bryce said that the Ottawa "team" were very glad to have had the opportunity of a full and frank discussion with Mr. Heeny.

I would be grateful if you would regard this letter as for your personal information only. You may wish to show it to Lou Couillard but it would be appreciated here if it was not shown to anyone else in the Embassy.¹¹⁵

Yours sincerely,
PAUL BRIDLE

400.

PCO

Extrait des conclusions du Cabinet
Extract from Cabinet Conclusions

TOP SECRET

[Ottawa], September 21, 1955

. . .

POTATO GRADE STANDARDS, UNITED STATES AND CANADA

14. *The Minister of Agriculture* said that potatoes could not be exported to the United States unless they complied with standards set in marketing orders issued from time to time by the U.S. Secretary of Agriculture. By law these orders had to reflect standards imposed by state governments.

The size requirements for round potatoes in the Maine marketing agreement were imposed on all imports of round potatoes in February of this year. At the same time, imports of long potatoes were prohibited unless they met the size requirements of the Idaho marketing order. These prohibitions applied only to imports and did not affect potatoes produced and marketed anywhere in the United States by other states. Despite Canadian protests over this action restrictions had been intensified as the year wore on.¹¹⁶ The latest Maine order, which was expected to apply to imports from October onwards, required most varieties shipped from Maine during the period September 19th, 1955 to June 30th, 1956, to be 2-1/4 inches minimum and 4 inches maximum diameter in size. This U.S. action contravened the G.A.T.T. which stated that, after paying customs duty, no less favourable treatment shall be accorded to imports than that accorded to those of national origin.

There were two courses that could be followed in the face of these restrictions. The same standards could be applied to imports from the U.S. as the U.S. applied to our exports. This would be the Maine standard. Such action would, however, contravene the G.A.T.T. Alternatively, imports into Canada from the U.S. could be required to meet Canadian standards. These were higher than the U.S. No. 1, Grade A, but lower than those

¹¹⁵ Note marginale :/Marginal note:

Mr. Couillard: Would you thank Paul B[ridle] for me & return to my personal file [A.D.P. Heeny]

¹¹⁶ Aucun compte rendu de ces protestations n'a été retrouvé.

Records of these protests were not located.

prevailing in Maine. Action of this nature would be in accordance with the G.A.T.T. provisions.

An explanatory memorandum was circulated.

(Minister's memorandum, Sept. 21, 1955 — Cab. Doc. 194-55†)

15. *During the course of discussion* the following points emerged:

(a) The second alternative seemed more desirable than the first since there would be no violation of the G.A.T.T. It would also be advisable at the same time to improve Canadian standards. If this were done all U.S. potatoes, except those from Maine, would be excluded from the Canadian market, and the quality of domestic potatoes marketed in Canada improved.

(b) It might be preferable not to take any action now if Canadian standards were to be raised in a short time. However, this would mean, for the present, no retaliation against U.S. restrictions and a delay in attempting to get these revised or removed. Canadian standards should be applied immediately against imports and improved as soon as possible.

16. *The Cabinet* noted the report of the Minister of Agriculture on the proposed U.S. import restrictions on potatoes and agreed that, effective immediately, imports from the U.S. be required to meet the standards for Canada No. 1 Grade potatoes and that such standards be improved as soon as possible.

...

401.

DEA/2057-40

*L'ambassadeur aux États-Unis
au sous-secrétaire d'État aux Affaires extérieures
Ambassador in United States
to Under-Secretary of State for External Affairs*

LETTER NO. 1821

Washington, November 4, 1955

PETROLEUM IMPORTS AND THE SECURITY ESCAPE CLAUSE

We saw yesterday Mr. Hugh A. Stewart, Director, Office of Oil & Gas, Department of the Interior. While the visit was made under the guise of a courtesy call it was soon obvious that Mr. Stewart was an anxious to talk about petroleum imports as ourselves. In fact, we noticed on his desk a proof copy of the letter from Dr. Flemming to the oil importers released for publication at 3.30 October 31st.¹¹⁷ You have received the text in a previous message.†

We said that the letter of October 31st was not too surprising as we had an indication from Dr. Flemming last week that the Canadian position would not be too hard done by. We said, however, that it was still not quite clear as to what the letter meant, and particularly its references to Canada. To be specific, we asked his opinion on what he felt the word "appreciably" in para. (b) of the conclusions meant. Did it mean that if import rates from Canada and Venezuela rose above current levels that imports from other areas would have to be cut back by more than the 7%, or did it mean that the United States would not tolerate imports "appreciably" above the current levels from Canada and Venezuela? We

¹¹⁷ Voir/See United States, Department of State, *Foreign Relations of the United States (FRUS)*, 1955-1957, Volume X, Washington D.C.: United States Government Printing Office, 1989, Document 207, pp. 546-549.

went on that if the interpretation of "appreciably" in the reference to imports from Canada and Venezuela is considered in the same light as the word "significantly" in the recommendations of the Energy Supplies and Resources Policy Committee when they said, "The Committee recommends, however, that if in the future the imports of crude oil and residual fuel oils exceed significantly the respective proportions that such imported oils bore to domestic production of crude oil in 1954, appropriate action should be taken.", then probably the latter interpretation would obtain. We said the right thing for Stewart settled back and said that he would give us the background on how the petroleum import situation got where it is today.

The following is a resumé from memory of his very extended remarks. The history (he said) of the battle against petroleum imports goes back about 35 years when an organization of producers with no specific interests abroad formed the Independent Petroleum Association of America. Its purpose in life was to crusade against imports. To this end they built up a highly competent professional staff of "crusaders". With the tremendous increase in the Texas exploration and production, another organization known as Tipro (Texas Independent Producers and Royalty Owners Association) came on the scene with as much the same purpose, and with the battlecry that for every barrel of oil that enters the United States from a foreign source it is one barrel of oil that is not produced in Texas. Over the years, primarily through the efforts of the highly paid professional staffs of these two groups, legislators and the Executive side of the U.S. Government were never permitted to forget the grave dangers of permitting foreign oil to contaminate the United States. During the World War II period those concerned with preventing imports for the most part found jobs in the wartime organizations established to control the distribution of petroleum and to get their hands on as much petroleum from any source as they could. The same thing was true during the Korean period, and particularly so with the loss of Iranian production. (This may have been a snide comment on some of those who held responsible positions in P.A.D. as recently as two and three years ago.)

With the end of the Korean war the "crusaders" quickly reorganized and commenced their proselytizing. Positive evidence of their activities was the considerable number of bills introduced into both Houses of Congress aimed at embargoes on petroleum imports or at the very least quotas. It was, of course, not difficult to find some oil state Congressmen quite happy to be identified with such bills. In addition to the oil interests as such, the coal groups set up a tremendous clamour over imports of residual fuel oils as did coal-carrying railroads and labour groups associated with both coal and labour. (In this connection, it is perhaps of interest that imports of residual fuel oil at the current rates represent on an annual basis about 11 million tons of bituminous coal. The total coal production of the U.S. this year will be close to 450 million.)

The group's interest in keeping oil imports out did not meet with any degree of success up to 1954. In that year the economic situation had flattened out somewhat and this occasioned a drop in overall demand for petroleum and its products. This, together with considerable increases in imports of crude from the Middle East, created a situation in which the "crusaders" could operate. The focal point became HR-1. The independent petroleum groups, labour, coal, and railroad interests got their heads together and through their efforts two amendments to HR-1 were offered, both aimed at restricting oil imports. Then, in the horse trading that went on in order to save HR-1 for the President, the petroleum interests saw in Section 7 of the national security escape clause the glimmering of opportunities to forward their cause. To them it seemed to offer a more direct avenue than to keep on trying to get legislation through the Congress or to invoke proceedings under the peril point

clause which was dependent upon slow moving hearings before the Tariff Commission and the raising and lowering of tariffs which usually take long periods of time.

Immediately the legislation was passed the "crusaders" landed on Flemming's doorstep. He had no comprehension of the ramifications of the problem and was conscious only of the pressures being exerted upon him not only by the independent petroleum people and their friends but by many legislators, both in large groups and single handedly. By August the pressure on Flemming had become so great that he wrote a letter to the oil companies requesting information on their current crude and residual oil imports and their plans for the future. He asked the companies for suggestions pertinent to the problem and any recommendations they cared to make. He also in the letter issued a warning that unless imports were curbed in line with the recommendations of the Presidential Advisory Committee on Energy Supplies and Resources Policies, action would be taken under the Trade Agreements Extension Act. The replies to this letter were not particularly satisfactory but the whole affair did serve to attract a great deal of attention to the question of petroleum imports. Flemming acted without consultation with other agencies concerned and had he not acted unilaterally the letter would most probably not have gone out in the form it did, and possibly may not have been written at all. At that time he had no one designated in his agency to handle Section 7 matters and no one familiar with the sort of situation set up by his action. The letter was a complete failure as far as getting worthwhile information out of the importing oil companies.

Shortly thereafter, Mr. H.D. Gresham (see Despatch No. 1642 of October 7th†) was appointed to advise Flemming on Section 7 matters. The other interested agencies got into the fray. The Office of Oil and Gas, Department of the Interior, "loaned" a few men to the offices of Flemming and Gresham to assist in their deliberations on oil imports. In addition, the other side of the case began to come to the front. Senator Payne of Maine pointed out to Flemming that restrictions on the imports of residual fuel oil would work a hardship on the New England area which is dependent in great measure upon imports. Consumer organizations and fuel oil distributors took up the cry. While this was going on the Office of Oil & Gas, Department of the Interior rushed statistical studies and other material to completion in order that Flemming and Gresham could be briefed. As O.D.M. began to more fully appreciate the relationship of imports of both crude oil and residual fuel oil to the domestic petroleum picture, the slide towards using Section 7 of the Trade Agreements Extension Act slowed up. Flemming became aware that if he willy nilly advised the President that imports of crude oil and residual fuel oil were such as to endanger the national security or threaten to impair the national security, that the Administration could be put into the position of having a first class row on its hands, between producers and special interests in the industrial field on the one hand and highly organized consumer groups on the other. This did not look good, particularly in a political year.

As evidence that he had benefitted from the briefings, Flemming, around the middle of October, wrote to Senator Payne (R-Me) that "the maintenance of an equitable sharing of an expanding market by both importers and domestic producers" was possible. Within the agencies concerned there was a growing feeling that a "new approach" had to be made; something based on facts rather than pressures. The Departments of the Interior, Commerce, and others (presumably State, Defence, and the Attorney General) re-examined the arithmetic and drafted a letter which they felt might be acceptable to Flemming, and at the same time put the whole oil import affair in proper perspective. The letter to the oil importers which was released on October 31st by O.D.M. was based upon the joint draft but there was one very significant change; Canada and Venezuela had been singled out for "special consideration".

The above, in barest outline, is the story told by Stewart.

The remainder of the interview was mainly devoted to a discussion of the so-called "Canadian position". We asked if, because Flemming insisted on singling out Canada and Venezuela, the idea had originated with him. We were told that despite the consistency of this approach with the stated policy of O.D.M. (and the President) re consideration of sources of material for the long-term stockpile, i.e. "the continental approach", that Interior, State and Defence had been the proponents of exempting Canadian oil from being considered as part of the current problem.

Stewart sketched this in by saying that Interior and Defence had actively supported the construction of refining capacity in the U.S. Pacific Northwest to be based on Canadian crude. This was done on three main grounds, the national security, secondly that it made good economic sense, and thirdly and related to both, it diminished the pressures on California crude which could be utilized more advantageously closer to home. He also recalled the active support given the Trans-Mountain Pipeline by several U.S. agencies including the assistance in obtaining line pipe extended by the Petroleum Administration for Defence.

He then mentioned that in addition to the Shell Oil Companies and General Petroleum's refineries now "on stream", there was still a chance that Standard of California and another company would build refineries in the State of Washington. If this came about he could see no impediment to them contracting for Canadian crude. As for the Minnesota-Wisconsin area, he felt that conditions were somewhat different, but here all the refineries except that of Great Northern were small and he reminded us that small business had a disproportionate voice in Washington and a habit of long standing of obtaining what they wanted. The simple fact, he went on, is that Canadian crude can be bought in the Minnesota-Wisconsin area so much cheaper than comparable competing crude from U.S. sources that it would be difficult indeed to try to stop the flow of Canadian oil. In addition, both the Pacific Northwest and the Minnesota-Wisconsin areas are oil deficit areas.

In addition to spelling out Canada and Venezuela and thus, according to Stewart, "protecting the Canadian position", the Flemming letter of October 31st succeeded in separating residual fuel oil from crude oil. This, he said, would chagrin the exponents of oil quotas and embargoes as they always tried to lump both together and thus point to the over one million barrels per day of imports flooding the country. The fact is, Stewart said, that despite the increase in imports of Middle East crude over the past few years, domestic availability of residual fuel oil had declined. He mentioned that within the past few weeks it was necessary to bring 11 million barrels of residual from the West to the East Coast in order to bolster low supplies. By separating residual from crude, Stewart felt that much more accurate and reasoned approaches will be made on any activities in the petroleum imports sphere in the future.

As we were leaving he surprised us by saying that he could think of reasons why Canada might not be too happy about being specifically pinpointed. He then reiterated that he had argued against publicly proclaiming any special considerations for Canada and Venezuela and it was still his view that it was a mistake to say so in a letter of that nature.

We asked him if he thought Congress would take any action when they come to town in January, and he replied in the negative. His reasoning is that domestic production is at an extremely high rate. The domestic petroleum industry is expanding faster in all its branches, exploration, transportation, and production, than at any time in the past, and even so they are just a little better than able to keep up with increasing domestic demands. In addition, the consumer reaction would be great and would be aroused quickly. Another

factor is that the jobbers and distributors, particularly on the East Coast, are for the first time organized to combat the independent producer groups. He concluded by saying that there would undoubtedly be a great deal of good paper wasted in printing bills aimed at restriction of petroleum imports, but felt they would come to naught.

Dr. Flemming on Wednesday and Thursday made appearances before the House Judiciary Subcommittee (the Celler Subcommittee). Rep. Celler (D-N.Y.) questioned Flemming on his letter of October 31st and a specific question was asked concerning the special consideration being given Canada. In reply to the question on Canada he said, in effect, that this had been done in the interests of international relations and the national security. (When an actual transcript becomes available we shall forward it to you.)

What all this adds up to we are not quite sure. It would, however, appear that a large number of U.S. agencies are of the view that Canadian crude oil imports into the U.S. Pacific Northwest in the Minnesota-Wisconsin areas should not be included in any consideration to quota foreign imports of petroleum. While the reasons may be associated with national security, supply to petroleum deficit areas, etc. it is of more than passing significance that Canadian crude in those areas can compete successfully with crude from any other source.

We expect to have the figures on which the Flemming letter was based today and we shall send them along to you.

Unless there are developments which cannot now be contemplated, it would look as if as far as the position of Canadian oil imports into the United States is concerned, we can breathe a bit more easily. Whether or not the U.S. may be required to answer for this action to GATT is another matter.

For your information the following is the picture obtained in the Department of the Interior of refineries in the two areas under discussion. In the State of Washington there is a Ferndale General Petroleum's refinery with a 35,000 B/D capacity. At the present time it is taking about 27,000 B/D of Canadian crude. The Shell Company has a 50,000 B/D capacity refinery at Anacortes which commenced operation on September 22nd, and which has worked itself up to 26,700 B/D of Canadian crude.

In the Minnesota-Wisconsin areas there are several refineries with an 11,000 B/D plant at Renshall, Minnesota, which is now taking about 4,000 B/D of Canadian and the balance for domestic sources brought in by tank car. Lake Superior Refining Company has a 6,000 B/D refinery at Superior, Wisconsin, which has just started to use Canadian crude. In the St. Paul-Minneapolis area Northwest Refining Company has two small plants, one with 3,000 B/D and the other with 8,000 B/D capacity. They have contracted with Canadian suppliers for 3,000 B/D to commence about now. It is interesting to note that heretofore the crude for these refineries was of domestic origin and came from Wyoming and Montana by pipeline and river barge. The largest refinery in the area is that of the Great Northern Company which has 25,000 B/D capacity solely on Canadian crude. Great Northern, in order to obtain the Canadian supply, built a considerable length of pipeline in the United States and also in Canada.

In summary, the total refining capacity of the two areas is 138,000 B/D. There will be a flow of about 75,000 B/D from Canadian sources to these refineries between now and the end of the year.

N.R. CHAPPELL
for Ambassador

SECTION C

RÉUNION DE LA COMMISSION MIXTE CANADO-AMÉRICAINNE DU COMMERCE
ET DES AFFAIRES ÉCONOMIQUES, OTTAWA, 26 SEPTEMBRE 1955
MEETING OF JOINT CANADA-UNITED STATES COMMITTEE ON TRADE
AND ECONOMIC AFFAIRS, OTTAWA, SEPTEMBER 26, 1955

402.

DEA/50316-2-40

*L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures*
*Ambassador in United States
to Secretary of State for External Affairs*

TELEGRAM WA-605

Washington, April 15, 1955

SECRET

Reference: Our despatch No. 1915 of November 9, 1954.†

JOINT UNITED STATES-CANADIAN COMMITTEE ON TRADE
AND ECONOMIC AFFAIRS

1. The purpose of this message is to propose that a meeting of the Joint Committee should be held in early June. As you know from previous messages, very strong opposition has developed to the President's modest programme for liberalizing United States foreign economic policy. In our opinion an early meeting of the Committee might do something to stiffen the Administration's resistance to protectionist pressures and to prevent the worst of the possibilities latent in the present situation from being realized.

2. Moreover, we believe it is in Canada's interest that the Joint Committee should be kept alive; and we are afraid if too long a gap is left between meetings we may find it withering. The last meeting of the Committee was held on March 16, 1954 — more than a year ago.¹¹⁸ Admittedly there was a meeting last January between Canadian and United States Ministers which was somewhat similar, both in composition and in intent, to a meeting of the Joint Committee.¹¹⁹ But the meeting here on January 6th, by deliberate decision was not billed as a meeting of the Committee and was not regarded as a substitute for it by the United States authorities. Already the Joint Industrial Mobilization Committee is at least moribund, if not dead; and, in our opinion, the Joint Committee on trade and economic affairs may go the same way unless action is taken on the Canadian side before the summer to arrange another meeting.

3. In our judgment, a meeting early in June would come at a very appropriate time. According to present forecasts, Congress will not adjourn until about August 15. As a result, the fate of many of the economic measures in which we are most interested will, in all probability, still be undecided by early June. On the other hand, the situation here should have clarified enough by then so that the risks and possibilities will be readily discernible. We have no doubt that there will be as much for Canadian Ministers to worry about in six weeks time as there is at present. And their representations would come at a salutary moment.

¹¹⁸ Voir/See Volume 20, Document 525.

¹¹⁹ Voir/See Document 105.

4. We do not mean that Ministers would be meeting in an atmosphere of crisis. Nor would we look for any spectacular agreement or any very marked change in United States foreign economic policy as a consequence of the meeting. But preventing undesirable developments can be as important as promoting some advance. As we have previously reported, protectionist pressures here have shown themselves to be surprisingly strong. If we are not to be too much hurt by them, the application of some contrary pressure on a continuing basis is necessary. A meeting of the Joint Committee, in our opinion, is best considered as a part of that continuing process. It seems to us that, even if it led to no very concrete results, it would serve a very useful purpose in reminding United States Ministers of how Canada is affected by United States foreign economic policy and by suggesting to them that what might seem like the easy way out of their domestic difficulties might not be so easy after all if the international repercussions were taken into account.

5. We realize that, in considering this proposal, you will require some indication of how we think matters are likely to stand here early in June. In the rest of this telegram we will synopsise our present forecasts in the various fields that might be the subject of discussion at a meeting of the Joint Committee.

6. *Trade Agreements Act.* We would imagine that by early June Congress will have extended the Trade Agreements Act in some form, or at the very least, be on the point of doing so. As we have indicated in previous messages, we doubt whether the various amendments to give additional protection to particular commodities will be successful. On the other hand, we expect that some amendment to limit the President's discretionary power under the escape-clause procedure will be approved. It hardly needs to be emphasized that such an amendment could be of major concern to us. The possibility must also be borne in mind that, as part of another general surrender, the Administration might agree to an extension of the act for only one year; but we think there is only an outside chance of that being the final outcome.

7. *GATT.* By early in June we would not expect the new GATT agreements to have reached the floor of either House. Consideration of them, however, in the House Ways and Means Committee may well have progressed some distance. On the present showing, it seems almost as likely as not that Congress will not act on the agreement to establish an organization for trade co-operation until next year.

8. *Customs simplification.* The new bill on customs simplification which has been prepared by the Treasury, we think you will agree, is a very satisfactory measure. However, it has not yet been introduced into Congress, although we have been assured that that will happen within the next few days. By early in June we would expect its fate to be still undecided. So far it has not been the target for protectionist attacks. That may be due either to the fact that it has hardly yet been brought into the open, or to failure on the part of the protectionist forces to realize that its effect would be to facilitate foreign imports. Its great strength at the moment is that it has a convinced champion in the person of the Secretary of the Treasury. But we find it difficult to believe that the bill will not attract strong opposition once its terms become known.

9. *Particular protectionist measures.*¹²⁰ Even if the various amendments to HR 1 to raise protective barriers against imports of textiles, lead and zinc, crude oil and residual fuel oil, are all defeated, efforts must be anticipated to accomplish the purpose of these amendments by special legislation. In addition, the Administration's policy of restricting oil imports by voluntary restraint on the part of United States importers must cause us con-

¹²⁰ Pour les détails, voir Section B./For details, see Section B.

cern. There is also a measure before Congress to limit imports of fluorspar which we cannot overlook.

10. *Agriculture.* When George McIvor, of the Canadian Wheat Board, was here earlier this month and saw many officials in the Department of Agriculture with the Agricultural Counsellor, he came to the conclusion that continuing and perhaps increasing difficulty for Canada's grain trade must be expected from the disposals policy of the United States. The Department of Agriculture, he observed, was under pressure from Congress to get rid of surpluses at a more rapid rate. He told us that he doubted whether Canada could do much to restrain the United States authorities. But some timely words from you and your colleagues might again have the effect of putting a brake on precipitate and damaging disposals, as they have done in the past.

11. *Convertibility.* It is widely assumed here, as elsewhere, that the Government of the United Kingdom will go to the country late in May, will be returned, and that further moves towards convertibility will probably follow shortly thereafter. On that assumption, it might well be that a discussion between Canadian and United States Ministers of some of the collateral problems would be useful at a meeting of the Joint Committee, if it could be arranged for early June. We will try to send you before long a separate message† on the present United States views on convertibility.

12. *Defence Production.* As we have already mentioned, the Joint Industrial Mobilization Committee now hardly exists. Only last week, for example, the Washington Office of the Department of Defence Production was informed by the Office of Defence Mobilization here that raw materials questions, on which a direct approach could have been made under the JIMC arrangements, were now to be referred to the State Department. Moreover, as we reported in our telegram WA-13 of January 5,† the United States authorities are likely to propose that the JIMC should be merged with the Joint Committee on trade and economic affairs. It seems to us that there are a number of defence questions which might well be considered at a meeting of the Joint Committee in June. In spite of Chappell's very vigorous and skillful activity, he has the impression that we are not now getting the kind of close cooperation in defence production matters that we had only a year or so ago. As one illustration he would cite the diffidence that has been noticeable here about letting contracts to the Canadian electronic industry to supply equipment for the distant early warning line. Another illustration would be the confusion there has been about the status of the waiver of the "buy-American" legislation granted by the United States Air Force to Canadian suppliers ever since the Department of Defence began to implement the President's executive order on the "buy-American" legislation of last December. Failure of cooperation in the defence production field might create serious difficulties for the Canadian defence programme; for example, the plans to build forty CF-105's will clearly require considerable cooperation from the United States services. At a meeting of the Joint Committee in June, therefore, it might be well to try to repair and improve cooperation in the defence production field.

13. If you agree with the proposal for a meeting of the Committee in early June, no doubt you would want us to invite United States Ministers to visit Ottawa. However, in view of the recent visit of the Secretary of State, we should perhaps be prepared to accept a meeting in Washington if a meeting in Ottawa were to prove inconvenient for Ministers here.

14. This telegram has been approved by the economic officers of the Embassy in synod assembled. Its contents had been thoroughly discussed with the Ambassador before he was called to Ottawa and we know that he is in complete agreement with it.¹²¹

403.

DTC/7-1385

*Bref pour les ministres**Brief for Ministers*

[Ottawa], September 12, 1955

TRADE AND COMMERCIAL POLICY

The Canadian Government has informed the United States Government of its decision in principle to participate in the tariff negotiations which are planned to commence early in 1956 under the auspices of GATT.¹²² At the same time, the Canadian Government has reserved the right to reconsider this decision if circumstances alter materially during the period which is to elapse before actual negotiations are commenced. In making this reservation, the Canadian Government had in mind uncertainties regarding possible restrictive legislation by the United States Congress and regarding the use that may be made of the new and revised escape procedures incorporated in recent legislation and of the waiver on agricultural products granted to the United States by the Contracting Parties to the GATT. The Canadian Government has expressed its hope that there will be no developments in the United States which would impair commitments made to Canada in trade agreements, and that the United States in administering its laws will continue to have regard to the common interest of all friendly countries in multilateral trade.

The Canadian Government has welcomed this initiative on the part of the United States Government to reduce tariffs, and thus promote the restoration and expansion of multilateral world trade. Even though the tariff negotiations will be somewhat limited in their scope, they may constitute a worthwhile step forward in the general reduction of barriers to international trade, a task which is of crucial importance to friendly and cooperative working relations among countries of the free world.

Arrangements for multilateral trade which have been worked out in GATT and in the policies of individual governments constitute the most realistic approach to these problems. Multilateralism, most-favoured-nation treatment and the reduction of barriers to trade provide a maximum opportunity for increased standards of living and prosperity in each of the countries which participate in world trade. Not only is this important in itself, but it is the indispensable basis of friendly and efficient working relations in other fields and in particular, in the fields of security and defence. If any other approach were to be adopted by Canada and the United States, the inevitable result would be to encourage isolationism and regionalism in the rest of the world with economic and strategic consequences which would be intolerable.

The United States and Canada share a common objective in the establishment of a system of multilateral trade and payments. There has, in recent years, been encouraging progress in the removal of discriminatory restrictions against the dollar area and in the

¹²¹ Une réunion de la Commission mixte s'était tenue en septembre. Voir le document 407.

A meeting of the Joint Committee was held in September. See Document 407.

¹²² Voir/See Document 121.

adoption of policies looking towards freer trade. It is of the utmost importance that this momentum should not be lost.

The fact that some relaxation has taken place in international tensions gives added importance to the strengthening of international economic arrangements. There are disturbing signs at present that various countries may increasingly go their own way, with trade policies based on protection and discrimination, perhaps to a greater extent than at any time since the early 1930's. Competition in world markets is becoming keener and pressures for the maintenance of restrictions and for a consolidation of regional arrangements in Europe are stronger.

Policies of multilateral trade must rest chiefly upon the willingness of individual countries to recognize the principles of the General Agreement on Tariffs and Trade. The requisite strengthening of this Agreement can only be accomplished through United States leadership. It was concern on this point, more than any other, that led Canada to oppose the request of the United States to obtain a waiver in the GATT for the operation of Section 22 of the Agricultural Adjustment Act. The Canadian Government was concerned about the effect that this waiver would have in weakening the GATT as a whole. The United States waiver in the GATT inevitably makes it harder to resist requests by other countries for special arrangements to meet their own difficulties.

There have, in recent months, been disturbing indications that the pressures for a 'go slow' policy on dollar liberalization, and for the strengthening of regional arrangements in Europe, have gained some ground. In recent OEEC discussions of dollar liberalization, various European countries attempted to justify their lack of progress, or their absence of further plans for liberalization, by referring to the uncertainties surrounding the nature and direction of United States commercial policy. Reports from Europe indicate that liberal trade policies in Germany are suffering a serious setback. The new three-year bilateral agreement between France and Germany, which provides for substantially increased agricultural exports to Germany, is a case in point. Canada would hope, therefore, that in its consideration of commercial policy, and of particular demands for increased protection, the United States Administration will bear in mind the serious effects which a lack of positive leadership on the part of the United States would have upon the rest of the world.

The Canadian Government has repeatedly stressed the importance of the contribution which the United States Government might make by improving its customs laws. Imports into the United States, particularly of manufactured goods, are often appraised for duty at values far above their actual values. Other potential imports are prevented from taking place. The Canadian Government fully appreciates the repeated efforts which have been made to obtain new legislation to provide for customs simplification. The Canadian Government was disappointed, however, that the Treasury Department made it known that it was prepared in late August to compromise the substance of the Customs Simplification Bill in order to obtain its passage. The proposal that the new procedures should not be allowed to reduce effective tariff rates by more than 5% would mean that there would be no hope of real relief from existing valuations.

In reply to criticisms about procedures before the Tariff Commission for increased protection, the United States Government has frequently pointed to the cases in which the Tariff Commission has rejected applications or in which its recommendations for increased protection have been rejected by the President. There is, in spite of this, an impressive list of items, agricultural and otherwise, to which higher tariffs or quantitative restrictions have been applied. In addition, there has been some disturbing evidence of willingness on the part of the United States to restrict imports by advice to industry rather than by formal

controls and this expedient is just as damaging as import quotas. The very number and the continuity of cases have had an unfortunate impact on exporters in other countries who might be interested in finding markets in the United States. In countries outside the United States, the opinion is frequently expressed that to build up a successful export business to the United States is to be exposed to an undue risk of adverse governmental action.

The Canadian Government has been disturbed at the inclusion in the Trade Agreements Extension Act of 1955 of the new escape clause which provides powers to restrict imports which are considered to impair the national security.¹²³ The Canadian Government sincerely hopes that it will not be found necessary to use these powers. If these powers were to be used, they would have unfortunate and adverse effects on friendly countries which consider themselves as allies and associates of the United States. Use of these powers, furthermore, would strike at the basic principles of the General Agreement on Tariffs and Trade. The Canadian Government has been able to envisage no method by which these powers could be used consistently with the GATT. In view of these considerations, the Canadian Government would urge continuing recognition by the United States that its security interests are vitally affected by its trade relations with other countries.

The United States Government has provided itself with powers to take a forward step through further tariff negotiations. The fact that these powers are accompanied, however, by other provisions for the extended use of escape procedures represents a step in the contrary direction. It is recognized that the forms of these broadened escape clauses do not impose any more restraint upon the President than in the past and it is to be hoped that executive discretion will be exercised in full recognition of commitments made by the United States to other countries. When it is remembered that the entire parcel of new provisions in the field of United States commercial policy have reference to a period of three years ahead, it is questionable whether the United States initiatives in this field, which are now in sight, are sufficient to maintain the forward momentum which will be required over the whole period. When commercial policies become defensive or stagnant, there is always the danger that protectionism will take over. With a further round of tariff negotiations now in prospect, it might be premature to raise the broad problem of new initiatives in international trade policy. We cannot possibly over-emphasize, however, the continuing importance of avoiding and minimizing the occasions in which individual governments resort to protective measures, such as the increasing of tariffs and the introduction of quantitative restrictions.¹²⁴

¹²³ Voir/See Document 389.

¹²⁴ Bien que libellé dans une forme présentable à la délégation américaine, ce mémoire n'a apparemment jamais été communiqué aux États-Unis.

Although drafted in a form suitable for presentation to the American delegation, this brief apparently was not given to the United States.

404.

DTC/7-1385

Bref pour les ministres
Brief for Ministers

[Ottawa], September 14, 1955

VOTE ON THE "CONTINENTAL APPROACH"

The question may be raised by United States Ministers of preferred treatment for imports from Canada in cases where the United States decides to restrict imports for national security reasons. There may, at first sight, appear to be some immediate advantages for Canada in some form of permanent arrangement analogous to the wartime "continental approach", by which Canadian suppliers would obtain special status over more distant suppliers with respect to U.S. trade restrictions.

However, such an approach to Canada's trade relations with the United States presents most serious dangers. Much of the strength of Canada's position in seeking to influence United States trade policies is based on the fact that both Canada and the United States are formally committed to internationally agreed principles and rules of conduct in world trade. It is in Canada's own interest to strengthen this broad basis for its trade relations with the United States, rather than to accept a special status which would isolate her from other countries and undermine the international arrangements in which she has taken such a leading part.

Even from the point of view of narrow advantage, Canada's acceptance of preferred treatment in the context of the "continental approach" would provide no assurance against new arguments by U.S. producers for restricting imports from Canada, based on other than national security considerations. Such acceptance of preferred status would almost certainly involve exposing the Canadian Government to U.S. government pressures for special treatment for the United States, not only in the field of trade, but also in the development of Canadian natural resources, and these pressures would be difficult for Canada to resist. In addition, such special arrangements between Canada and the United States would have serious and damaging effects on the commercial policies of other countries, and would give new stimulus to the adoption of discriminatory and regional arrangements in Europe and elsewhere.

In the formulation of its commercial policy, the United States should clearly appraise its national security interests, not solely in terms of Canada's partnership in continental defence, but in terms of the economic strength of the Western world as a whole.

It is appropriate to hope that the United States government will recognize that the national security of the United States is vitally affected by its trade relations with other countries. Far from being an inhibiting factor in the development of liberal trade policies, national security considerations would seem to make it imperative for the United States to press forward with such policies.

405.

DEA/50316-2-40

*Note du sous-secrétaire d'État aux Affaires extérieures
pour le secrétaire d'État aux Affaires extérieures*

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

CONFIDENTIAL

[Ottawa], September 23, 1955

JOINT UNITED STATES-CANADIAN COMMITTEE ON TRADE AND ECONOMIC
AFFAIRS: CONTINENTAL DEFENCE CONSIDERATION IN UNITED STATES
TRADE RELATIONS

You might wish to have this supplementary note on the so-called "continental approach", which I understand was the subject of some discussion by Ministers yesterday when the brief for the Joint Committee meetings was under discussion.¹²⁵

In preparing the notes on this subject for Ministers, officials were concerned at the possible acceptance of "continentalism" as a principle in trade relations with the United States. It may be that in individual cases such as, for example, in connection with the U.S. "voluntary" restrictions on imports of crude oil, it will be found expedient for us to accept a favoured position. But by accepting such a relationship for a wide range of items, we would run the danger of subjecting Canadian production to the changing whims of the U.S. Congress and Administration. "Continentalism" as a principle would also expose the development of Canadian natural resources to U.S. Government pressures, which it would be difficult for us to resist.

A broad application of the so-called "continental" approach might also have unfortunate political consequences; it might appear to our allies overseas that we had lost some interest in their economic fate and, with the United States, were prepared to go it alone. Aside from obvious economic dangers, such a course would make it difficult for us to obtain from abroad, and particularly from our NATO partners, the necessary co-operation in the political and military fields. It would encourage uneconomic regionalism in Europe and would likely have an adverse effect on the maintenance and development of important overseas markets for Canadian goods.

In the reasonably precise field of military defence the acceptance of the "continental approach" has served us reasonably well, although I think we have found occasion on non-military grounds to reject its full application. When considering the application of "continentalism" to the trade field, it should be borne in mind that the U.S. interpretation of "national security" is too often based on political expedience rather than on legitimate security considerations.

J. L[ÉGER]

¹²⁵ Aucun compte rendu de cette réunion n'a été retrouvé./No record of this meeting was located.

406.

DEA/50316-2-40

Note
Memorandum

CONFIDENTIAL

[Ottawa], September 26, 1955

UNITED STATES GOVERNMENT PROGRAMMES FOR THE DISPOSAL
OF AGRICULTURAL SURPLUSES¹²⁶

On September 9, 1954 President Eisenhower said:

".....it is essential that our agricultural foreign trade policy take into account the position of other countries and that our policy be understood by them. Today, the magnitude of the United States holdings of many commodities is such as to be capable of demoralizing world commodity markets should a policy of reckless selling abroad be pursued. This potential greatly alarms other countries despite the fact that past behavior of the United States has shown no intention of pursuing a harmful policy."

In the view of the Canadian Government the surplus disposal policies being followed by the United States are having the demoralizing effects on world grain markets referred to by the President.

While the purpose of the various methods of surplus disposal may be to enlarge consumption, the main effect seems to have been to displace commercial sales of the United States and other exporting countries, including Canada.

In an effort to dispose of surpluses, the United States has provided grain without charge to various countries in the form of famine relief and emergency assistance and has sold grain for local currencies and in exchange for strategic materials. Each of these methods can be defended in principle. In recent months, however, it appears to the Canadian Government that the various methods of disposal have been pushed to the point where the avowed purposes have been submerged in the attempt to enlarge United States exports.

In addition, the United States has embarked upon a policy of disposing of parcel lots of grain on a bid basis. This is a most destructive and demoralizing form of marketing.

While the United States has been engaged in promoting exports by these non-commercial transactions and concessionary sales, Canada has maintained a high degree of stability in her offerings of grain, particularly wheat. Since the end of 1953, Canadian prices of wheat, basis Fort William/Port Arthur, have moved within a comparatively limited range. From March 21 to September 7 of this year, the price of One Northern wheat was held at \$1.76 per bushel, Canadian funds. On September 8 the price was lowered by 1 cent, where it has remained since.

In effect, Canada has held an "umbrella" over the United States for many months. Without this stable marketing policy by Canada, there is every reason to believe that wheat marketing conditions would have been chaotic.

The United States, naturally enough, wishes to sell its accumulated surplus. Canada recognizes, too, the strong efforts that are being made by the United States Administration to adjust domestic production so as to avoid the further accumulation of surpluses.

On the other hand, it should not be overlooked that whereas failure to reduce farm surpluses at a rapid enough rate is embarrassing to the United States, a failure by Canada to

¹²⁶ Voir aussi/See also Documents 366-371.

maintain reasonable markets for grain abroad is not only embarrassing, it threatens the very foundations of our economic structure and affects immediately and intimately the lives and incomes of all the farmers of the Prairie Provinces.

As illustrations of the effect of the United States surplus disposal methods upon markets for Canadian wheat, the following table compares the proportion of imports of certain countries supplied by Canada in the 5 years ending July 31, 1954 and the past year.

EFFECT OF U.S.A. SELLING POLICIES ON TRADITIONAL
CANADIAN WHEAT & FLOUR MARKETS

Country	Total US/Can. Export [Wheat and Flour] 1949-50 to 1953-54 (Thousand Bushels)	% Canadian	Total US/Can. Exports [Wheat and Flour] 1954-1955 (Thousand Bushels)	% Canadian
	Bolivia	13,513	49.7	3,697
Egypt	56,027	32.7	2,258	-
Israel	38,516	39.4	10,977	23.7
Lebanon	14,742	51.1	3,370	3.1
Libya	2,644	100.0	1,159	19.3
Peru	27,450	42.1	2,497	12.3
Spain	41,043	26.6	2,254	-
Yugoslavia	49,096	30.8	43,877	8.3

Not all markets have been equally affected, but it may be said that all markets have been affected to some extent by United States surplus disposal methods.

During the crop year ended June 30, United States exports of wheat and flour rose by 56 million bushels. In approximately the same period, Canadian exports dropped by 4 million bushels. Continuation of present policies will have even more detrimental effect on Canada's position in the present crop year.

Our impression is that sales of United States wheat on ordinary commercial terms have suffered even more than Canadian sales by the methods of non-commercial surplus disposal being followed by the United States. It is certainly doubtful whether these methods do promote the long-run development of export markets for United States grain.

In brief, the Canadian Government urges that the United States should change its surplus disposal methods immediately so as to restore some measure of confidence to world grain markets, avoid further serious damage to the commercial interests of the United States as well as those of other smaller and less diversified exporting countries such as Canada, and avoid the chaotic situation that would arise if Canada were forced to abandon her stable marketing policies.

407.

DF/8522/U585-1

*Résumé du compte-rendu de la réunion de la Commission mixte
canado-américaine du commerce et des Affaires économiques*

*Summary Record of Meeting of Joint Canada-United States Committee
on Trade and Economic Affairs*

SECRET

Ottawa, September 26, 1955

Mr. Pearson as Chairman expressed the sympathy of the Canadian side with President Eisenhower in his illness.¹²⁷ It was to be hoped that he would soon be restored to his full

¹²⁷ Le 23 septembre 1955, le président Eisenhower subit une crise cardiaque.
On September 23, 1955, President Eisenhower suffered a heart attack.

health and vigour. Not only the Canadian members but all of Canada appreciated the President's attitude towards trade matters and the efforts which he was making to improve international relations generally. As the leader of the Allied Forces during the war and during the early period of NATO's history, President Eisenhower had come to belong to Canada and the other North Atlantic countries as well as to the United States.

Mr. Pearson thought that this meeting was being held at a time when the questions with which it was concerned were all of even greater importance in the new international atmosphere than they had been before. Whether or not there was a sound basis for this change in atmosphere, the fear which had helped to bring and hold the Western countries together had diminished. It was therefore all the more important that economic policies should strengthen and not weaken the associations of which Canada and the United States were a part.

Mr. Pearson then noted that the Provisional Agenda for the meeting consisted of the following items:

- (1) Exchange of views on general commercial policies and prospects;
- (2) Review of progress of international trade and payments problems;
- (3) Discussion on agricultural policies and problems of surplus;
- (4) Other business.

In reply Mr. Dulles expressed the appreciation of the U.S. Secretaries for the remarks which Mr. Pearson had made concerning President Eisenhower.

Mr. Dulles also agreed with Mr. Pearson's observations concerning the importance of economic relations in the new atmosphere which had developed in recent months. He noted that with the lessening of fear the cement which had been holding the various Western groups of countries together was in danger of dissolving. He himself was not certain that there was sufficient justification for the dissipation of fear which had occurred. There was still at least the possibility that the Soviets might engage in manoeuvres which could lead to small wars involving the United States and the West (for example, in connection with relations between Israel and the Arab States). He felt that the Soviet actions were also increasing the tension between Eastern and Western Germany.

Mr. Dulles indicated that the Agenda which had been proposed was agreeable to the U.S. members.

Trade and Commercial Policies

Mr. Dulles then went on to refer to the fact that the United States was the greatest productive unit in the world and that everyone was concerned in whatever the United States did. Something which had to be borne in mind in connection with attitudes in the United States was the fact that while international trade in the aggregate is important for the United States, it is much less so in relation to individual countries. It was, therefore, often difficult for people in the United States to realize how seriously their actions affecting such trade could hurt other countries which were more dependent on international transactions. Moreover, in the rather smaller part of the economy represented by international trade, imports were much more conspicuous than exports. The problems created by imported goods were there for all to see. Goods which were exported just disappeared across the border and were lost sight of. The fact that such exports yielded important returns for individual U.S. producers was not as apparent to the general public as was the fact that imported goods were causing or aggravating difficulties for particular localities.

Despite the political difficulty in resisting protective pressures, the United States was continuing to adhere to a settled liberal policy and to provide a large domestic market for

other countries. It had to be recognized, nevertheless, that a certain measure of protection would inevitably be given to domestic industries, where imports threaten domestic production.

Mr. Dulles remarked that protective actions attracted a considerable amount of attention mainly for the reason that the U.S. record generally was so good. Any exception was bound to stand out rather prominently. He remarked that in commenting on views expressed to him by one of the U.K. representatives, he had made this point by observing that a small speck on the face of a beautiful girl was more conspicuous than grime on the face of a coal miner.

As a practical matter, Mr. Dulles thought it is important for the rest of the world to appreciate that if imports passed a certain percentage the pressures for protection would become irresistible. Such percentage limits should be regarded as danger signals and other countries would be wise not to try to exceed them. They should endeavour to show a certain amount of self restraint.

Mr. Dulles then referred to certain specific instances in which protection had been sought very vigorously. For example, in the lead and zinc case, the arguments for protection had been strong but the Administration had found a solution which avoided direct action against imports. This "solution", to be workable, required that other countries should not attempt to sell too much of these commodities in the United States for stockpiling or other purposes. Similarly, in connection with petroleum, the Administration was pleased that it had been able to avoid formal restrictions so far by encouraging U.S. importers to be moderate in bringing in oil which would compete with the domestic product. In the bicycle case, sales of foreign bicycles in the United States had risen to a point where it would have been "very difficult" not to provide some domestic protection; the Administration had given the minimum amount of protection that could be got away with (a little over 88 cents per cycle). In the case of the Chief Joseph Dam, the full facts did not seem to have been appreciated abroad; the Administration had understandably found it necessary to take account of the serious unemployment situation existing in the electrical industry of the Pittsburgh area.

On balance, Mr. Dulles was satisfied, U.S. policies were liberal. This was evidenced by the fact that the gold reserves were going down. He thought the U.S. economy was bearing more than an equal share of the maintenance of buying power of other countries. The U.S. record, in Mr. Dulles' view, compared well with that of other countries.

Mr. Weeks described the "escape clause" mechanism. He remarked that such a device was necessary if tariff rates were not to be put at a very high level. He noted that over the past several years, the "average" rates of duties had been greatly reduced. At the same time, actions taken under the escape clauses had not really been very numerous. The Tariff Commission had reported on only 61 cases, which was a small number in comparison with the thousands of items in the U.S. Tariff. In only 13 of these cases had the Commission recommended action and the President had in fact acted in only 6 instances. Mr. Weeks enquired whether it would be preferable to have high tariffs with no safety valve or a lower tariff with escape clauses. Whatever the answer, the "political facts of life" made such a mechanism unavoidable. Mr. Weeks acknowledged that the escape clauses had recently been "liberalized" but not, he thought, in a sense harmful to trade relations with other nations.

Mr. Humphrey indicated his agreement with Mr. Dulles' remarks and described it as a "classic statement" of the U.S. position. Mr. Humphrey regretted that U.S. policies, and the considerations which lay behind them, were not adequately understood abroad. The meth-

ods which the United States had been using were necessary if the objectives were to be pursued in a practical manner.

Mr. Humphrey noted that the "dollar scarcity" had been reduced over recent years and expressed the view that this had resulted largely from a re-distribution of U.S. wealth through such means as trade, tourism, investment, and military and FOA assistance. The gold reserves of the United States had declined by about \$8 billion. The gains of reserves by other countries, at about \$11 billion, were somewhat larger. In Mr. Humphrey's view, this trend could not continue.

Mr. Humphrey thought that it would be a mistake for the rest of the world to expect that it could cover its dollar requirements by trade alone. It was just not practicable for other countries, which would have had considerable dollar deficits if special forms of assistance had not been available, to make up the difference by trade; not only trade but also tourism, investment and other private forms of financing would be necessary. In his view "an awful lot" must be done in the rest of the world to attract U.S. investment. Nationalistic tendencies and socialistic systems of governments and the state control of industry deterred private investment in many countries. Everybody must recognize that an indefinite increase in imports was just not possible. If other countries attempted to take too large a share of the U.S. market there would be political revolution against liberal trading policies.

The rest of the world must accept these facts and limitations on the United States. There was a slowing down elsewhere and there would also be a slowing down in the United States. Undoubtedly, there would be a period of transition while other countries came to realize that they can only get U.S. capital with an effort. They would have to appreciate that they could not rely only on trade and that they would have to make such an effort. There must inevitably be a reduction in "putting dollars abroad" by the U.S. Government.

Mr. Pearson remarked that perhaps trade could not do the whole job but that job could not be done without trade.

Mr. Howe pointed out that Canadian policies had never envisaged a bilateral balancing of accounts. We could only manage by earning surpluses with others with which to cover our trade deficits with the United States. Canada, therefore, naturally favoured a multilateral system of trade.

The U.S. authorities had been informed the Canadian Government was intending to try to take part in the forthcoming tariff negotiations.

Mr. Howe stressed the difficulties which Canadian exporters experienced in getting into the U.S. market. Customs procedures were a serious obstacle. He hoped very much that the Customs Simplification Bill would be passed.

Mr. Howe noted that there had been some reduction in discrimination in several European countries and in several countries of the Commonwealth. He was not sure how long this situation would last since a good number of countries were undergoing a fair degree of inflation.

Mr. Howe indicated that he was "alarmed" by some of the new escape clauses in the U.S. trade legislation; he expressed the hope that additional duties would be applied only when real injury to domestic production had been proven. In connection with the "national security" escape clause, he wondered whether Canada should be regarded as in a preferred position. In connection with oil, which Mr. Dulles had mentioned, Mr. Howe hoped that if restrictions were applied, voluntarily or otherwise, Canada would be considered as a case apart. Our oil reserves after all were reserves for the whole continent.

Mr. Howe expressed some concern at the tendency for cases to reappear frequently before the Tariff Commission, thus creating almost continuous uncertainty. He mentioned

particularly unprocessed fish which had been considered by the Tariff Commission before and was now apparently coming up once again.

In connection with Mr. Weeks' question, Mr. Howe thought it might be better to have higher rates of duties and no escape clause since then, at least, the uncertainty would be removed.

Mr. Howe welcomed the action which the United States had taken on oats and barley. He indicated that Canada would be anxious not to add to the burdens of the United States by sending too large quantities of oats and barley to them. He hoped that this action taken with respect to oats and barley would encourage and stimulate further removals of restriction.

Mr. Humphrey remarked concerning the Customs Simplification Bill that the Committee which had been considering it will hold it where it is until the next Session. The fear of a filibuster had made it seem unwise to attempt to complete action at the recent Session. The Bill will come up at the earliest opportunity at the next Session and the process of acting on it will not have to start at the beginning.

Mr. Pearson enquired whether the Bill which will be dealt with at the next Session will include the amendment which the Administration had accepted. Mr. Humphrey replied that it would. Mr. Weeks commented that there was a certain amount of protection embedded in present customs procedures and it would be very difficult to interfere with this protection which had been enjoyed traditionally by various industries.

With reference to the national security escape clause, Mr. Humphrey and Mr. Dulles asserted that the Office of Defence Mobilization, in determining security requirements, would treat all of North America and the Caribbean as a unit. Mr. Weeks agreed that in all of the interdepartmental discussions which he had attended in Washington concerning the security escape clause North America had been treated as a single unit.

Mr. Dulles returned to a scheme which he had stated earlier and said it was a pity that the people who export had not developed political influence comparable with that of those who are affected by imports. It would be most desirable if they could do so.

Mr. Benson reported that all of the U.S. farm organizations had supported the Trade Agreements Extension Act (H.R. I), including those farm groups whose commodities are not exported (e.g. the dairy producers). He detected among the farm population a growing support for freeing and increasing trade. This trend was so evident today compared with ten or fifteen years ago.

Mr. Dulles recalled the struggle which the Administration had had in getting H.R. I through Congress. He had never confronted committees which were more hostile than those which were considering this legislation. Mr. Benson said that he had had a similar experience with the congressional committees on this matter. Mr. Weeks thought that a good deal of the opposition to H.R. I was based on fear of Japanese competition. Mr. Howe remarked at this point that the competition which Canada had encountered since concluding a most-favoured-nation trade agreement with Japan had not been on an unfair basis. The Japanese apparently were trying hard to be very careful. They were selling "quality" goods at prices which could not be regarded as unreasonable. Mr. Dulles also thought that the Japanese were trying to behave better than in the past. He observed rather sadly that the United States had not received as much help as it had hoped for from its friends in accommodating Japanese exports in international trade. Mr. Pearson remarked that perhaps the United States had a special responsibility in view of its objections to Japanese trade with the Chinese mainland. Mr. Dulles thought that any idea of a large volume of trade between Japan and the Mainland was a mirage. It was an illusion which had been encouraged by

some in Japan for domestic political purposes. Mr. Weeks added that Japan was merely subject to the CHINCOM list, like all the rest of us. He confirmed that the Japanese appeared to be attempting to do better than they had before the war and referred to problems which two U.S. silverware companies had run into, involving a pirating of designs. He understood that the Japanese were now straightening out this particular case.

International Trade and Payments Problems

Mr. Humphrey observed that the U.K. situation had become a good deal tighter in recent months. It seemed clear that they were going to have to delay convertibility and to "take some more restrictive measures on trade and expenditures".

Mr. Humphrey noted that, in any case, de facto convertibility was already pretty widespread for sterling. Other currencies also looked rather promising. For instance, the position of the franc had improved greatly. France now had (partly as a result of the absorption of U.S. aid intended for Indo-China) about \$1.9 billion in reserves compared with \$2.3 billion for the whole sterling area. Moreover, the French reserves were going up steadily while the sterling area's reserves were going down.

Mr. Humphrey asserted that the United States would support the United Kingdom in moves towards convertibility whenever the latter judged the time to be right. In his own view, it was better to move later than too soon. If convertibility were to be undertaken too soon, and it was not possible to maintain it, "chaos would follow". If the move were to be delayed it would always be possible to correct the situation by undertaking convertibility at any time thereafter.

He thought that the United Kingdom had pushed fiscal and monetary controls about as far as they could go. They had used "everything in the book". They now had to cut down government expenditures and restrain import demands. In Mr. Humphrey's view, the United Kingdom had gone too fast too soon, and now had to turn back somewhat. They had to readjust themselves to the practical world. He thought that Mr. Butler's approach was at present more realistic than it had been.

Mr. Benson enquired whether our sales of apples to the United Kingdom were restricted. Mr. Howe and Mr. Gardiner indicated that they were limited and referred to the history of the apples case, including the fact that the United States and Canada were usually consulted in some degree.

Mr. Humphrey repeated that "we want sterling convertible — when they can do it".

Mr. Pearson enquired whether the convertibility which was desired was convertibility without discrimination.

Mr. Humphrey declared that this was the objective so far as practicable but he thought the question of how much discrimination could be dispensed with without endangering convertibility was a delicate and difficult one.

Mr. Harris remarked that it was hard to see how countries (such as the United Kingdom) could go on buying raw materials at a reasonable rate (from the United States, Canada and other countries) if they were not given the opportunity to sell the finished products abroad. Mr. Harris described the attitude which the Canadian Government had adopted towards pressures for an increase in the woollen tariff. He realized at the time that there were some risks in not providing additional protection but in fact the consequences had not been too serious. He wondered whether the United States might not occasionally be prepared to take calculated risks of the kind which Canada had taken in the case of wool. In general, he hoped that a large part of the unbalance in international payments could be covered by trade.

Agricultural Problems

Mr. Howe went over in detail the recent history of U.S. wheat transactions including deals based on local currencies and referred to the damaging effect of the tendency of late to sell wheat to ordinary customers on the basis of prices resulting from bids at a good deal less than the normal level. He supplied the U.S. members with several statistical tables and a memorandum setting forth the Canadian views.¹²⁸ He noted particularly the extent to which Canada had been displaced during the past year in markets where considerable quantities of Canadian wheat had been sold between 1949 and 1954. Mr. Howe doubted that the special programmes which the United States had undertaken had resulted in more than five or ten million bushels increase in consumption. The rest of the special sales or gifts made by the United States had been largely at the expense of ordinary trade. He enquired whether it was a good thing in the mutual interests of the two countries to proceed on the present basis. He reported that no forward positions were being taken in Canadian wheat now although normally there would have been a good deal of forward purchasing at this time of year. Most countries wanted to wait to see what bargains might be available from the United States. The practices which the United States was following were destroying confidence in the U.S. prices and probably in wheat prices generally. Mr. Howe was afraid the situation would get worse from year to year. He indicated that he would be delighted to have those in Canada directly concerned with the wheat trade go down to Washington and try to work out something which would restore confidence.

Mr. Benson agreed wholeheartedly with Mr. Howe that consultations should take place on the surplus and marketing situation. At the same time he felt that the United States had held an umbrella over world wheat prices. If the United States had not supported its wheat prices and showed considerable restraint in disposing of its surpluses, prices generally would have been a good deal lower.

Mr. Benson thought that the United States was trying conscientiously to observe the principles set out by the FAO. They were trying to increase consumption and reduce production within the United States. They were endeavouring to dispose of surpluses in an orderly manner. When special terms seemed necessary they always tried to get assurances that the quantities involved would be additional to normal takings (although he realized that it was hard to enforce such assurances effectively). The United States was also consulting so far as practicable with other countries concerned, both currently and in advance.

Mr. Howe questioned whether there was much consultation in recent months and noted that several deals had come as a surprise to him and to the Wheat Board Representatives in Washington.

Mr. Benson said that he would look into the question of present arrangements for consultation and that he would be quite happy to sponsor special consultations directly between the United States and Canada on the subject of wheat. He thought that three or four people from each side might meet together and go over individual cases. Mr. Gardiner suggested that it would be desirable to include in the Canadian party a representative of the Department of Agriculture acquainted with the production side. Mr. Howe agreed.

Mr. Benson noted that current production of wheat in the United States was about in balance. They would not have a significant problem if only the accumulated surpluses could be removed.

Generally, Mr. Benson was optimistic about the future of U.S. agricultural policies. The Administration had got about 90% of what it had wanted in the way of flexibility. The Bill

¹²⁸ Voir/See Document 406.

for fixed supports for farm prices would be picked up next year at the point which it had reached this year. There would be a real struggle ahead in the Congressional debates next year.

In the case of wheat, the United States did not feel that the amount which it was exporting represented an improper share of the world market. Mr. Benson then quoted some statistics for the period 1940-1949 and certain figures for last year. His general conclusion was that Canada had not done badly since 1940.

Mr. Howe again emphasized the disastrous effects for world trade in grain of the recent U.S. practice of offering lots of grain on a bid basis. He suggested that there might be scope in the U.S. for the domestic disposal of a part of the existing surplus at export prices.

Mr. Benson replied that the question of domestic surplus disposal for feed purposes of the lower grades of wheat (produced in the corn belt) was one which was being considered actively by the U.S. Administration. While special legislation would be required for this purpose with the corn crop down and livestock production at an all time high (and domestic consumption of meat products increasing), this might well be an appropriate time to initiate such a programme.

Mr. Howe and Mr. Benson agreed again that consultations on the whole range of questions involved would be desirable.¹²⁹

Mr. Benson then enquired concerning Canada's attitude towards the International Wheat Agreement. He indicated that the United States had not yet reached firm conclusions although the general sentiment was inclined towards continuation.

Mr. Howe expressed the view that the IWA provided a useful forum and he thought it should be continued particularly if the United Kingdom and the United States joined in. His very definite impression was that the United Kingdom would come in. Mr. Benson, on the other hand, understood from his conversations in London that the United Kingdom had not yet firmed up its position. Concerning the U.S. attitude, Mr. Benson remarked that what was in the Randall Report on this subject might have dampened enthusiasm in some quarters.¹³⁰ The farm organizations, however, were supporting the Agreement. It was not possible to say what Congress would do in the end.

Mr. Pearson emphasized that there was no single subject in relations between the two countries today which was more controversial in Canada than the trade in wheat.

Mr. Benson asked whether anything was being done in Canada to reduce production or increase consumption. Mr. Gardiner replied that the planted acreage was currently about eight million acres below average. He thought that the position in Canada with respect to changes in production and consumption was not unlike that in the United States.

Mr. Gardiner expressed his appreciation at the fact that the United States was allowing relatively free importation of Canadian livestock. He referred to the troublesome imports of cheese which were at present coming into Canada from New Zealand. The New Zealanders apparently expected that Canada should be willing to receive about the same amount of cheese from them as Canada was exporting to other markets. In other dairy products the position was not too difficult although there was a butter surplus of some ten million pounds which created problems. Mr. Gardiner thought that the United States had behaved very well in its disposal of surplus dairy products and other perishables. Mr. Gardiner indicated that Canada would not wish to produce dairy products for export and was trying to keep production down near the domestic consumption level.

¹²⁹ Voir/See Document 370.

¹³⁰ Voir/See Volume 20, Document 525.

Mr. Dulles expressed his admiration for the job which Mr. Benson was doing even though they sometimes had differences of opinion. If the Administration were to be defeated on the general broad programme which Mr. Benson was sponsoring the future would be difficult indeed.

Mr. Pearson appreciated the problems confronting the United States but hoped that they in turn would realize that their actions had disproportionate effects on Canada.

Mr. Pearson and Mr. Howe shared the views which Mr. Dulles had expressed concerning the very great imagination and courage which Mr. Benson was showing in connection with his general agricultural programme.

Mr. Benson suggested that whatever might be said about Public Law 480¹³¹ it was a good deal better, from the point of view of other countries, than the uninhibited use by the C.C.C. of its existing authority to sell on almost any terms.

Other Business

Mr. Weeks referred to what he understood was the Canadian practice of valuing goods which had passed through foreign trade zones in the United States as though they had been subject to U.S. duties (or at least to value them at U.S. market prices rather than at the prices prevailing in the country from which the goods came originally). The Canadian side indicated that this question would be looked into.

Mr. Weeks also raised the matter of compulsory licensing of pharmaceutical manufacture in connection with Sections 41 and 42 of the Canadian Patents Act. Mr. Howe remarked that a Royal Commission was now reviewing the Patents Act and he thought this subject could be drawn to the attention of that Commission.

In connection with the subject of "securities frauds" which had been indicated as a matter which might be discussed by the Joint Committee, it was noted that this topic had been talked about privately the previous evening and that the Canadian Government would shortly be considering a possible reference to the Supreme Court of the decision by Justice Scott in the Link and Green case. It was also observed that Mr. Brownell, the U.S. Attorney-General, and Mr. Garson would be attending some meetings together within the next few weeks and would probably have an opportunity for some discussion of this matter at that time.¹³²

Communiqué

The Committee discussed the draft communiqué. There was a reluctance on the U.S. side to retain a reference to the fact that, in making progress in trade and payments problems, other countries looked to the "larger trading countries" for leadership. It was suggested that if the United States was intended to be embraced in this term the impression might be created that they were contemplating something beyond their present legislation. The U.S. Secretaries thought that this would be quite misleading. The reference was, therefore, dropped.

In the section on agricultural surpluses, the draft communiqué had referred to "consultations with Canada and other interested countries". It was suggested by the Canadian side that the word "closer" should be inserted before "consultations" in order to indicate that some improvement was expected. The reference to "other interested countries" was deleted partly because this was a communiqué having to do only with the United States and Canada and partly because the inclusion of this reference might weaken the effect of the

¹³¹ Voir/See Document 366n91.

¹³² Voir/See Document 410.

sentence on Canadian public opinion since it would then appear to be merely a re-statement of something which had been said many times before.

The draft communiqué had also intimated that the progress which had been made in removing restrictions and reducing discrimination during the past year was "heartening". The accuracy of this statement was questioned by Mr. Humphrey and others and it was therefore modified merely to record the fact that some progress had been made without indicating whether or not it was particularly heartening.

The final text of the communiqué is attached.¹³³

SECTION D

FRAUDE EN MATIÈRE DE VALEURS MOBILIÈRES SECURITIES FRAUD

408.

DEA/12216-6-40

*Note du sous-secrétaire d'État aux Affaires extérieures
pour le secrétaire d'État aux Affaires extérieures*

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

CONFIDENTIAL

Ottawa, October 24, 1955

EXTRADITION

POLITICAL REASONS FOR SUBMITTING LINK AND GREEN REFERENCE TO THE SUPREME COURT OF CANADA

1. *Scope of Memorandum*

The Minister of Justice is presenting to the Cabinet, at this week's Cabinet meeting, a draft submission to the Governor in Council, recommending that two questions be referred to the Supreme Court of Canada for hearing and consideration in regard to the Scott Judgment in the Link and Green extradition case. The Minister of Justice's draft submission to the Governor in Council will explain the legal position. The purpose of this memorandum is to set out the political reasons that make this action necessary.

2. *Extradition Convention*

Extradition arrangements between Canada and foreign countries are carried into effect in this country by the operation of the Extradition Act. In 1951 Canada and the United States signed a Supplementary Extradition Convention which was expressly designed to extend the existing extradition arrangements between the two countries to cover offences involving fraudulent dealings with securities.¹³⁴

3. *Link and Green Case*

In December, 1954 Associate Chief Justice W.B. Scott of the Superior Court of Quebec, Montreal District, refused the application of the United States Government for the

¹³³ Voir Canada, Ministère des Affaires extérieures, *Affaires Extérieures*, volume 7, N° 10, octobre 1955, pp. 275-276.

See Canada, Department of External Affairs, *External Affairs*, Volume 7, No. 10, October 1955, pp. 270-271.

¹³⁴ Voir/See Volume 17, Document 840.

extradition of W.H. Link and H.M. Green on charges involving fraudulent dealings with securities under the Extradition Act, pursuant to the 1951 Supplementary Extradition Convention. The United States Government applied to the Supreme Court of Canada for leave to appeal the decision. The Supreme Court refused the application. The Court did not pass on the substance of the judgment, as it considered that it did not have jurisdiction to hear appeals in extradition cases.

Subsequently the United States Government has expressed in two official Notes to the Canadian Government its concern over the problem caused in the United States by fraudulent securities offerings emanating from Canada; at the same time indicating that its fears are heightened by its concern lest the decision of Scott, J. have the effect of nullifying the 1951 Supplementary Extradition Convention. Furthermore, it has asked indirectly whether the Canadian Government might refer the judgment to the Supreme Court of Canada.

4. Action taken by the United States Congress

Subsequent to the Scott Judgment, strenuous press campaigns developed in the United States against the so-called "Canadian stocketeers". Also, Senator Wiley in a statement in the Senate on June 17, 1955, proposed the adoption of certain methods for the control of trans-border operations of fraudulent securities. Moreover, on July 29, Senator Fulbright introduced in the United States Senate a bill designed to prohibit the use of United States mail, telephone and telegraph facilities by foreign security dealers who refused to enter the United States to face charges of violating United States securities regulations. The Senate Banking and Currency Committee is scheduled to conduct a hearing on Senator Fulbright's bill. As yet, however, the Canadian Government has no information as to when this hearing will be held. At this hearing the State Department expects to be asked to comment upon the international aspects of the securities frauds problem.

5. Views of the Minister of Justice

The Minister of Justice is of the opinion that it is important to the administration of the Extradition Treaty between Canada and the United States that this reference should be made to the Supreme Court of Canada.

6. Conclusions

By making this reference to the Supreme Court of Canada, the Canadian Government will be taking the measures open to it to meet the problem of fraudulent securities offerings across the border. Should the Canadian Government, on the other hand, decide not to make this reference to the Supreme Court of Canada, an awkward situation would be likely to develop. The United States Government would be frustrated in its efforts to solve the fraudulent securities problem and it would be in a position to place the blame on the Canadian Government. Such a situation clearly must be avoided if at all possible.

For these reasons the Department of External Affairs supports the recommendation of the Minister of Justice that the Scott Judgment be referred to the Supreme Court of Canada.

J. L[ÉGER]

409.

PCO

*Extrait des conclusions du Cabinet**Extract from Cabinet Conclusions*

TOP SECRET

[Ottawa], October 26, 1955

...

CANADA-U.S. EXTRADITION TREATY; REFERENCE TO THE SUPREME COURT

12. *The Minister of Justice*, referring to discussion at the meeting of September 28th, 1955, submitted a recommendation for a reference to the Supreme Court of Canada of two questions arising out of difficulties which had been encountered in the administration of the Extradition Treaty between Canada and the United States.

In April 1954, a grand jury of the District Court of the United States for the Eastern District of Michigan, Southern Division, had returned two indictments charging two corporations and thirteen individuals with having violated U.S. law by the use of the mails for obtaining money or other property by means of false or fraudulent pretence. The indictments were based on the illegal use of U.S. mails during the period March 1st to April 1st, 1953, in conjunction with a fraudulent scheme to sell securities to residents of the state of Michigan.

On September 30th, 1954, the Department of External Affairs had received from the U.S. Embassy at Ottawa a request for the surrender, with a view to extradition, of two of the accused, Walter H. Link and Harry H. Green. Messrs. Link and Green were apprehended and brought before Associate Chief Justice Scott at Montreal on November 3rd, 1954. On December 17th, 1954, Mr. Justice Scott gave judgment refusing to issue a warrant for the committal of the fugitives for surrender to the United States. The judgment seemed to be based on arguments of doubtful validity.

It was important to the administration of the Extradition Treaty between Canada and the United States that this matter be cleared up and it was suggested that the following questions be referred to the Supreme Court under section 55 of the Supreme Court Act:

(1) Assuming that Associate Chief Justice Scott was satisfied that such evidence was produced at the hearing of *United States of America v. Link and Green* as would, according to the law of Canada, have justified the committal of the fugitives for trial, if the alleged crimes had been committed in Canada, was the learned Chief Justice in error in refusing, on the grounds relied on in his reasons for judgment, to issue his warrant for the committal of the fugitives to surrender to the United States?

(2) If a person engaged in a scheme for the sale of securities to residents in the United States, which scheme is devised or intended to deceive or defraud, posts mail matter in Canada concerning the scheme directed to addressee in the United States, which posting, if done in the United States would constitute an offence against sections 1341 or 77q(a) of the United States Code, is such person liable to be extradited from Canada to the United States to stand trial there on charges under those sections?

13. *Mr. Garson* added that, if it were felt undesirable, and he was inclined to think that it was, to mention, specifically, in the reference to the Supreme Court, the Scott judgment of December 17th, 1954, it would be possible to make a much more general reference to the courts possibly along the following lines:

(1) Is it competent for a judge hearing a case under the Extradition Act to refuse to issue his warrant for committal of the fugitive for surrender to the requesting state on the ground

that, in his opinion, the rules of evidence or procedure applicable in the courts of the requesting state will operate to unfairly prejudice the accused at his trial?

(2) If a person engaged in a scheme for the sale of securities to residents in the United States, which scheme is devised or intended to deceive or defraud, posts mail matter in Canada concerning the scheme directed to addressees in the United States, which posting, if done in the United States would constitute an offence against sections 1341 or 77q(a) of the United States Code, is such person liable to be extradited from Canada to the United States to stand trial there on charges under those sections?

14. *In the course of discussion* the following points emerged:

(a) The alternative suggested by the Minister of Justice seemed preferable. However, even in the case of the more general reference, the wording seemed to be too specific. It might perhaps be sufficient to ask the court to determine whether or not it was competent for a judge to take into account the kind of rules of evidence applicable in another country in cases where there had been commission of an offence in that other country, which offence was also considered to be a crime in Canada.

(b) As there was no appeal to the Supreme Court from Mr. Justice Scott's judgment, any reference such as that suggested would merely result in obtaining the Supreme Court's opinion in this matter, but Judge Scott's judgment would still stand in the particular case under review.

(c) Circumstances had made it appear desirable to make a rather unusual reference to the Supreme Court in the recent Coffin murder case.¹³⁵ It would seem undesirable to take unorthodox action with regard to this extradition difficulty so soon after the Coffin incident. It might, perhaps, be preferable to wait until such time as another judgment similar to the Scott judgment of December 17th, 1954, was rendered before taking any such action.

(d) On the other hand, unless some action were taken, the government of Canada would likely be blamed for doing nothing to prevent the fraudulent use of the mails by unscrupulous brokers.

15. *The Cabinet* noted the report of the Minister of Justice and deferred decision on a proposed reference to the Supreme Court with regard to difficulties which had recently been encountered in the administration of the Extradition Treaty between Canada and the United States, pending further consideration at a subsequent meeting when the Secretary of State for External Affairs could be present.

...

¹³⁵ Le 14 octobre 1955, le Cabinet a demandé à la Cour suprême du Canada de revoir la condamnation prononcée par les tribunaux du Québec contre Wilbert Coffin pour le meurtre, en 1953, de Richard Lindsay, à la suite de suggestions voulant que Coffin n'ait pas eu un procès juste. Le Cabinet a demandé à la Cour de répondre à la question suivante :

« If the application made by Wilbert Coffin for leave to appeal to the Supreme Court of Canada had been granted on any of the grounds alleged on the said application, what disposition of the appeal would now be made by the court? »

On October 14, 1955 Cabinet asked the Supreme Court of Canada to review the conviction in Quebec courts of Wilbert Coffin for the 1953 murder of Richard Lindsay after suggestions were made that Coffin had not received a fair trial. Cabinet asked the court to answer the following question:

"If the application made by Wilbert Coffin for leave to appeal to the Supreme Court of Canada had been granted on any of the grounds alleged on the said application, what disposition of the appeal would now be made by the court?"

410.

DEA/12216-6-40

Note de l'ambassadeur aux États-Unis
Memorandum by Ambassador in United States

CONFIDENTIAL

[Washington], November 8, 1955

SECURITY FRAUDS; EXTRADITION; LINK AND GREEN CASE¹³⁶

Conversation between the Minister of Justice and the United States Attorney General, at Toronto, November 7, 1955.

It had been arranged through the Embassy that advantage should be taken of the presence of the United States Attorney General in Toronto on November 7th, for a private and informal discussion of this subject with the Minister of Justice, who was to be there for Mr. Brownell's speech to the Canadian Club. It had also been agreed that the United States Ambassador and I should be present. This had first been suggested at the meeting on September [26th], in Ottawa, of the Canada-United States Committee on Economic Affairs, when the Secretary of State had referred to the United States Government's concern.¹³⁷

The conversation took place in Mr. Brownell's suite at the Royal York Hotel on the afternoon of November 7th. It was agreed by all present that it would be entirely informal and private — a frank exchange of information and views.

The Minister, after referring to the suggestion that a "reference" be made to the Supreme Court of Canada on the points of law arising out of the judgement of Associate Chief Justice Scott of the Quebec Superior Court and describing briefly the law and procedure which govern such references, went on to explain to the Attorney General the position of a current reference to the Supreme Court in *Regina v. Coffin*.

This (*Coffin*) reference raised difficult and delicate issues for the Federal Government in regard to the administration of justice in the Province of Quebec, since the Supreme Court would appear to be reviewing the verdict of a Quebec Court after the unanimous refusal of an appeal by the Provincial appellate court. The Government, nevertheless, had felt bound to proceed with this reference (for reasons which Mr. Garson had explained) and the hearing would take place in December.

For the Government, the Minister went on, to make now a second reference to the Supreme Court which would reflect on the Quebec Courts (since it would at least indirectly impugn the finding of Chief Justice Scott in the Link and Green case) would exacerbate an already complicated and delicate situation. In the opinion of the Federal authorities the Scott judgement was bad law and had the effect of frustrating the purposes of the Extradition Treaty of 1952 between Canada and the United States. The Canadian authorities, like those of the United States, were anxious to rectify the position and restore the régime which the Treaty had intended.

In due course, Mr. Garson felt, it should be possible for a reference to be made which would achieve this purpose. The Government would wish to have this done just as soon as possible.

¹³⁶ La version de la note reproduite ici est celle qui a été modifiée à la fin novembre pour tenir compte des observations faites par Garson sur l'original rédigé par Heenev. Celui-ci a été retiré des dossiers et détruit.

The version of the memorandum reprinted here was amended in late November to take into account Garson's comments on Heenev's original draft which was removed from the files and destroyed.

¹³⁷ Voir/See Document 407.

The Minister said that Canadian authorities had read with interest a proposal put forward by the General Counsel for the United States Securities Exchange Commission that the Extradition Treaty should be amended to provide for an appellate procedure. The Canadian Department of Justice would be interested in exploring this possibility (which from the Government's point of view would provide, at least *prima facie*, a politically easier course than a reference to the Supreme Court), but before doing so wished to know whether the United States Department of Justice had considered fully the implications of such an innovation in extradition procedures. Having regard to the fact that it would seem to be politically impossible to provide an appeal for the state without similar provision for the accused, Mr. Garson was inclined to think that the delays in litigation caused by such appeals might make them unworkable.

The Attorney General said that Mr. Timbers' proposal had not been examined fully by his Department and was not now being put forward as a suggestion to the Canadian Government. He personally was inclined to think that it would be a doubtful expedient; as Mr. Garson had observed, the delays involved would probably be intolerable.

If, Mr. Brownell continued, the situation could be restored to the pre-*Link and Green* position by a reference to the Supreme Court of Canada, this would be preferable from the United States point of view, provided that the lapse of time before a judgement were obtained were not too great. United States authorities were already subject to very considerable pressures and these would build up seriously when Congress got under way in January. What length of time did the Minister foresee before the Canadian Government would be willing to refer the question to the Supreme Court?

Mr. Garson replied that unfortunately it was not possible to be precise on the timing of a reference. If his colleagues agreed to a reference (and he was awaiting the return of the Secretary of State for External Affairs before taking the matter up in Cabinet) the timing would be affected by the course of the *Coffin* reference and hearing. The Canadian authorities were also anxious to clear up the present unsatisfactory situation with regard to extradition for security frauds, but had obviously to take account of the considerations which he had set forth.

I suggested, in attempting to sum up, that the two Governments had the same objective, namely to establish as promptly as possible the régime contemplated when the Treaty was negotiated. The baleful effect of the Scott judgement should be got rid of as soon as could be. The problem was one of method and timing — not objective. To this all present agreed.

The Canadian position, I continued, had been frankly explained to the Attorney General but he would be unable to make this explanation to those in Washington who were pressing him for action. It seemed to me important, before any statement were made by the United States authorities, that agreement should be reached on the form of such statement. To this, too, there was agreement.

Mr. Brownell expressed his appreciation of the full and candid explanation which Mr. Garson had made and it was agreed that the Minister and the Attorney General would keep in close touch with one another, through me.

It was agreed that, in the circumstances, no purpose would be served by further suggestions from Canadian Counsel for the United States Department of Justice or others, with regard to any references that might be made to the Supreme Court or other procedures in this matter.

On the following day, returning to Washington, I mentioned to Mr. Brownell the importance, if any reference was to be made to the Supreme Court, of avoiding any impression that this procedure was being taken under pressure from United States authorities. He readily understood this and agreed to caution his officials. When the time came that something had to be said, the two Governments would agree on the form of statement.

A.D.P. HEENEY

411.

DEA/12216-6-40

*L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures
Ambassador in United States
to Secretary of State for External Affairs*

CONFIDENTIAL

Washington, November 16, 1955

Dear Mr. Pearson,

On November 9th I wrote you a personal letter† reporting upon the conversation in Toronto between your colleague, the Minister of Justice, and the United States Attorney General concerning extradition in relation to security frauds.

At that time I sent you a copy of the memorandum which I had made of the conversation.

Mr. Garson spoke to me last evening on the telephone from Ottawa, and told me that (with a few minor additions which he wishes to have made) he is satisfied with my memorandum as a record of what transpired between him and Mr. Brownell. When these additions have been made I am to give a copy of the memorandum to the Attorney General for his personal record.

In speaking to me yesterday, Mr. Garson said that he would expect you to bring up this subject in Cabinet shortly. When you did so he would be willing to agree to a reference to the Supreme Court of Canada which would rectify the present unsatisfactory situation. In this connection he mentioned again the desirability of having the question put to the Supreme Court in such a way as to avoid explicit reference to the judgement of Associate Chief Justice Scott, whence our difficulties arise. On the timing of the reference to the Court, Mr. Garson would be guided largely by the views of your Quebec colleagues, but he himself would have no objection to the reference being made reasonably soon.

In raising the matter in Cabinet as one involving our relations with the United States, you would certainly be justified in saying to your colleagues that the present situation is one which has caused, and continues to cause, difficulties between us. Furthermore, the pressure upon the Administration to take action of some kind within the competence of the United States executive and legislature may be expected to increase sharply once Congress reassembles after Christmas. No one can say now precisely what proposals may be put forward in the Senate or in the House in attempts to satisfy demands made upon Senators and Congressmen by those who have been defrauded through the operations of stock racketeers. But the Administration may well prove unable to resist undesirable courses urged in the legislature unless they can show that the present unsatisfactory situation is being rectified.

As you will note from my memorandum of November 8th, Mr. Brownell has agreed to consult us when he feels it necessary to make some public statement on this subject. I

would hope that by that time we will be in a position to announce the reference to the Supreme Court along the lines now favoured by your colleague, the Minister of Justice.

One final consideration — from the point of view of External Affairs, the sooner the reference is made and announced the better; from the point of view of the Government in Ottawa too I should think it is highly desirable that the reference should be made before the clamour in this country increases and the Government are put in the position of acting in response to public pressure from the United States.

I would be grateful if you would let me know when the matter is raised in Cabinet and what decision is taken.

I am sending a copy of this letter to the Under-Secretary.

Yours sincerely,

A.D.P. HEENEY

412.

PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET

[Ottawa], December 7, 1955

...

CANADA-UNITED STATES EXTRADITION TREATY; REFERENCE
TO SUPREME COURT

7. *The Secretary of State for External Affairs*, referring to discussion at the meeting of October 26th, said that, unless steps were taken in a reasonable period of time to clear up the difficulties which had arisen as a result of the Scott judgment of December 17th, 1954, in the Link and Green extradition case, there might be difficulties with the United States, particularly if Congress took up the matter, as it might.

8. *The Minister of Justice* said he had recently had an opportunity to discuss this matter at Toronto with the U.S. Attorney General. He had pointed out that it would be difficult for the government to refer the matter to the Supreme Court at the present time. Mr. Brownell had indicated that he understood the Canadian government's position. He said that a suggestion had been made to him that an appeal procedure might be provided in the Canada-United States Treaty and in the Canadian law. Mr. Brownell, himself, wished to study this suggestion because he did not feel that it was very practical, since an appeal of this sort granted to the governments should presumably also be granted to the accused person, which was contrary to practice of long standing and the practice in other countries. It would likely result in greatly prolonging extradition cases. Mr. Garson shared these doubts about an appeal provision.

9. *In the course of discussion* the following points emerged:

(a) It was feared that unless something was done to clear up the extradition situation between Canada and the United States, the U.S. Congress might take steps to tighten, considerably, controls over trading in securities which might be harmful to bona fide Canadian brokers trading in the United States.

(b) There was jurisprudence to the effect that an extradited person could only be tried for an extraditable offence. Notwithstanding this, it seemed that some of the alleged offences mentioned in the application to Mr. Justice Scott for the extradition of Messrs. Link and

Green were matters that were not covered by the Canada—United States Extradition Treaty.

10. *The Cabinet* agreed that, while it would be desirable, eventually, to clear up the difficult situation which had arisen as a result of the judgment by Associate Chief Justice Scott on December 17th, 1954, on the application for the extradition of Messrs. Link and Green, no steps would be taken at this time to refer the problem to the Supreme Court.

...

SECTION E

VOIE MARITIME DU SAINT-LAURENT
ST. LAWRENCE SEAWAY

413.

DEA/1268-AD-40

*L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures
Ambassador in United States
to Secretary of State for External Affairs*

TELEGRAM WA-15

Washington, January 5, 1955

CONFIDENTIAL. IMMEDIATE.

Reference; Your telegram EX-2414 of December 30, 1954.†

ST. LAWRENCE SEAWAY

I am now able to provide what I think is the real explanation of Mr. Lewis Castle's request to meet Mr. Chevrier in Ottawa later this month.

2. Earlier in the week Taylor learned from George Vest, on the State Department's Canadian desk, that Castle wished to meet Mr. Chevrier to discuss with him the question of navigation facilities to be built on either side of the boundary in the Cornwall area. According to Vest, Castle was becoming increasingly concerned that it would be necessary for the Administration to provide members of Congress with a satisfactory explanation of the plans of the Canadian and United States Governments in the Cornwall area.

3. Yesterday, when I was speaking with Deputy Secretary of Defence Robert Anderson about another matter, he outlined for me the position of the United States Administration on this question. Anderson began by saying that he was pleased to have the opportunity to discuss this question with me, especially as I had been associated with the talks that had taken place in November between Mr. Howe, Mr. Wilson and himself.¹³⁸ He referred to those conversations and said that it was the firm intention of the United States Administration not to proceed with the construction of navigation facilities across the river from Iroquois and that they intended, in due course, to seek from Congress an amendment to the Wiley Act, which would relieve them of the obligation set out therein to build a canal and lock at Point Rockway.

4. The Administration was disturbed, he said, over the growing rumblings among those interested in the seaway here, that Canada and the United States intended to build parallel

¹³⁸ Voir/See Volume 20, Document 585.

27 foot navigation facilities on both sides of the St. Lawrence in the Cornwall area. This had led to some concern in the Administration that unless these rumblings could be effectively forestalled, they might lead to strong criticism from supporters of the seaway, as well as from its former opponents, that the United States Administration was spending unnecessarily large sums of money to build facilities that would parallel those to be built by Canada. Anderson mentioned that Dr. Danielian and the railroad interests, for instance, would be only too eager to criticize the Administration on this score. He indicated that the pressure of criticism against Lewis Castle was already very heavy.

5. In view of this situation it had been suggested that letters might be exchanged by members of the two governments, which would set out plainly the plans and intentions of Canada and the United States. He thought that the exchange might be initiated from the United States side with a letter that would say that it was the intention of the United States Administration not to build at Point Rockway and that it was proposed in due course to seek from Congress the necessary amendment to the Wiley Act. The letter would say that the United States Administration understood that the Canadian Government had no present intention of constructing 27 foot facilities in the Cornwall area and that until traffic and economic conditions warranted, neither government would duplicate on its side of the boundary, navigation facilities which had already been constructed by the other in its territory. He suggested that the Canadian Government might reply with a letter confirming that these understandings were correct.

6. The letters, Anderson thought, would not necessarily be made public. On the United States side they would probably be used to show any Senators or representatives who might criticize the known arrangements for seaway construction, that in fact there would not be any duplication of navigation facilities in the St. Lawrence seaway until conditions warranted.

7. As I implied earlier in this telegram, I am convinced that Anderson gave me a frank and sincere statement of his government's position on this question. From my point of view I think there would be considerable advantage for us in accepting his suggestion. I think I need not elaborate on the advantages for us in having on paper a statement that the United States does not intend to build at Point Rockway and that the Administration will seek the required amendment to the Wiley Act.

8. Mr. Anderson proposed that he might discuss this question with Mr. Howe on Thursday. I have passed this suggestion, by telephone, to Mr. Howe, who has agreed to meet Mr. Anderson on Thursday morning.

A.D.P. HEENEY

414.

DEA/1268-AD-40

*L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures*

*Ambassador in United States
to Secretary of State for External Affairs*

TELEGRAM WA-28

Washington, January 7, 1955

CONFIDENTIAL. IMPORTANT.

Reference: Our WA-15 of January 5.

ST. LAWRENCE SEAWAY

Yesterday morning Mr. Howe, Mr. Pearson and Mr. Heeney met with Secretary of Defense Wilson and Deputy Secretary Anderson, to discuss the United States proposal for an exchange of letters on the plans of the two governments for the construction of navigation facilities in the Cornwall area on the St. Lawrence. Also present on the United States side were Ambassador Stuart; Governor Brucker, Legal Counsel for the Department of Defense; and Mr. C.B. Elbrick, Deputy Assistant Secretary for European Affairs in the State Department. Taylor was present as well.

2. Anderson opened the discussion and in his remarks went over much the same ground that he had covered with Mr. Heeney on Tuesday. It was interesting to hear Anderson say yesterday that Senator Wiley, presumably as the result of representations made to him by some group interested in the seaway, had sent President Eisenhower a letter in which he outlined in some detail the sort of criticism about unnecessary United States investments that might be directed at the Administration if Canada and the United States were to build parallel navigation facilities in the Iroquois and Cornwall areas.

3. Anderson said that the Canadian interest in building at Iroquois was well understood and reconfirmed that the United States did not intend to build navigation facilities across from Iroquois at Point Rockway. In considering the problem raised by Senator Wiley, the Department of Defense (to whom his letter had been referred for a reply) had conceived the idea of an exchange of letters between Canada and the United States along the lines indicated in my telegram WA-15 of January 5. He explained that this proposal had not yet been cleared with President Eisenhower, but he seemed quite confident that full approval could be obtained fairly easily. Anderson went on to say that the United States letter would indicate that the Administration intended to seek the necessary amendment to the Wiley Act at "an appropriate time." In explaining the timing of the proposed amendment, he said that it would probably be unwise to seek an amendment in the near future because of the danger that opponents of the seaway might seize the opportunity to reopen the whole seaway issue. Specifically, he thought they might say that since the Administration now found it unnecessary to build at Point Rockway, this showed that it was not really necessary to build any of the navigation facilities authorized by the Wiley Act. This danger was especially strong now when only a relatively small amount of money had been spent on seaway construction. But once some really substantial expenditures had been made, he thought that the danger would be a great deal less and the required amendment could be handled much more easily.

4. Mr. Howe and Mr. Pearson said in reply that the proposal for an exchange along the lines outlined by Mr. Anderson was agreeable to the Canadian Government. Mr. Howe spoke briefly about the necessity for retaining at least part of the 14 foot canal at Cornwall, saying that although the Canadian Government could not give up this existing facility, it was not contemplated that its retention would affect the volume of traffic that would use the 27 foot facilities to be built by the United States across the river from Cornwall.

5. During a short discussion on whether the letters should be exchanged between Mr. Howe and Mr. Wilson or Mr. Pearson and Mr. Dulles, Mr. Pearson indicated that this point presented no difficulty for the Canadian side and that we would be willing to effect the exchange in the way that seemed most suitable to the United States. Another possibility that was briefly touched on was that the exchange should take the form of diplomatic notes, which might be somewhat preferable from our point of view. However, the manner in which the exchange should be effected was left open. In any event, Anderson said that he would have prepared a draft United States letter to be sent to Ottawa through this

Embassy, together with a suggested draft Canadian reply to indicate more clearly the type of exchange they had in mind.

D.V. LEPAN

415.

DEA/1268-AD-40

*Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis*

*Secretary of State for External Affairs
to Ambassador in United States*

TELEGRAM EX-35

Ottawa, January 11, 1955

CONFIDENTIAL. IMPORTANT.

Reference: Your WA-28, January 7.

ST. LAWRENCE SEAWAY — PLANS TO BUILD AT
BARNHART AND IROQUOIS

Although Mr. Howe and I told Messrs. Wilson and Anderson on January 6 that the Canadian Government would agree to their proposal for an exchange of letters setting out the intentions of the two Governments, we shall have to watch the wording carefully in order to safeguard the reservations we made known in August.

2. In our Note of August 17, 1954 the Canadian Government's intentions at Barnhart Island were expressed in these terms:

"The Canadian Government wishes to state, however, that it will construct forthwith a canal and lock at Iroquois and that in addition it intends, if and when it considers that parallel facilities are required to accommodate existing or potential traffic, to complete 27-foot navigation works on the Canadian side of the International Rapids Section."

The vagueness was deliberate because the U.S. representatives said that the Administration would be embarrassed if we insisted on saying in our Note that we had in mind *either* increased traffic *or* interference with Canadian shipping as a reason for duplicating at Barnhart. Accordingly we made ourselves clear in our press release of August 18 in which we said:

"An important factor bearing on the requirement for parallel facilities on the Canadian side, near Barnhart Island, would be increasing volume of traffic. Another factor, which however we hope and expect would not materialize, would be unreasonable or unwarranted interference with, or delays to, Canadian shipping."

This reference to interference with shipping was considered important by the Government and has been similarly regarded by the press. On August 24 we sent a letter to the U.S. Embassy here enclosing the press release, for the purpose of getting our declaration into the record of inter-governmental correspondence.¹³⁹

3. We should have difficulty now in accepting a wording of the proposed letters which said only that we will not duplicate at Barnhart "until traffic and economic conditions war-

¹³⁹ Voir/See Volume 20, Document 580.

ranted" (the words used in para. 5 of your WA-15), because such a wording seems to refer to only one of the two contingencies we have in mind.

4. At the moment these alternative solutions occur to me:

(a) The proposed letters could mention *both* contingencies in relation to *both* governments, which was not feasible in August. In other words, the letters could say that the United States and Canadian Governments do not intend to build at Iroquois and Barnhart, respectively, *unless* traffic and economic conditions warranted *or* there was unreasonable interference etc. with United States shipping in Canada or with Canadian shipping in the United States (This is not intended as drafting language).

OR

(b) So far as Canada's intentions are concerned, the proposed letters could adhere to the language of the August 17 note and say that, in the light of the statements made public in August, Canada does not intend to build at Barnhart until it considers that "parallel facilities are required to accommodate existing or potential traffic". As we were willing to use this ambiguous phrase in August, we could I think do so again and take the position that it means just what it meant to us previously.

5. I should be glad to have your comments on this and, if you see no objection, you might talk over the problem with Anderson. My preference is, of course, for alternative (a) though I realize that there may be objections to this on the U.S. side. If Congress decided not to amend the Wiley Act regarding Iroquois as suggested in para.3 of your WA-15 of January 5, 1955, Canada's position would be no different than that which obtains today. You might seek to ascertain from Anderson when he thinks the letters might be made public. When they are shown to U.S. Congressmen and Senators, I shall probably have to table them in the House here.

[L.B.] PEARSON

416.

DEA/1268-AD-40

*Note du sous-secrétaire d'État aux Affaires extérieures
pour le secrétaire d'État aux Affaires extérieures*

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

CONFIDENTIAL

[Ottawa], January 21, 1955

ST. LAWRENCE SEAWAY — PLANS TO BUILD AT BARNHART ISLAND
AND IROQUOIS

Attached, for ease of reference, are three telegrams from Washington on this subject, namely, WA-61, WA-62 and WA-64,† dated January 14. I have some comments to make on the proposed letter from Mr. Stuart (contained in WA-62). In making them, I assume that in your talks in Washington, neither you nor Mr. Howe contemplated making any substantial changes in the arrangements which were concluded on August 17, 1954 and that your desire was to record the present intentions of both governments, namely, that the United States Government does not intend, *at present*, to build 27-foot facilities at Iroquois

and that the Canadian Government does not intend, *at present*, to build 27-foot facilities opposite Barnhart Island.¹⁴⁰

2. The proposed letter from Mr. Stuart is open, I believe, to two objections. In the first place, it seems to create an "understanding" that Canada does not intend, at the present time, to construct new 14-foot canal facilities in the Cornwall area and links this "understanding" with Canada's *undertaking* of August 17, 1954 *NOT* to construct 27-foot facilities opposite Barnhart Island. Officials of this Department see no valid reason for linking a statement of intention regarding the construction of 14-foot facilities (as distinct from the undertaking to consult regarding *non-imposition* of tolls in the 14-foot system) with a formal undertaking to consult before constructing duplicate 27-foot lock facilities. Canada should be prepared, of course, to repeat its *undertaking* as regards 27-foot lock facilities in the Cornwall area and may, separately, announce what are its *present* intentions as regards the continuation of 14-foot navigation facilities in the Cornwall area. I believe Mr. Howe stated clearly in Washington that the Canadian Government had decided, for the time being, against continuing 14-foot navigation facilities around the powerhouses at Barnhart Island. This statement can be inserted in the proposed letter in such a way as not to circumscribe Canada's freedom of action.

3. The second point in which the proposed Stuart letter is not very helpful is that it declares merely the "intention" of the United States Administration "to seek" authority from Congress to "defer" construction opposite Iroquois. On this premise the Canadian Government is asked to agree that the Canadian canal at Iroquois and the United States canal at Massena would be the "exclusive" or "sole" means for shipping to by-pass the power project for an *indeterminate* period. Again this might be an impediment to the freedom of action of the Canadian Government in future.

4. The Hon. Lionel Chevrier wrote the attached letter† to you on January 19 on the subject of the proposed Stuart letter. Mr. Chevrier makes four points:

(a) that it would be "unwise" to anticipate government policy regarding the continuation of 14-foot navigation at Cornwall;

(b) because Canada may have to do 27-foot channel dredging in the Cornwall area, no commitment should be given that Canada will do *no* 27-foot works in that area;

(c) in building opposite Barnhart Island, the United States should undertake to conform to the Welland Ship Canal dimensions;

(d) Canada and the United States should agree to forego duplicating in future facilities on their respective territory at Iroquois and Barnhart Island but should agree that, when added facilities are required, they will be built by Canada at Barnhart Island and by the United States at Iroquois.

5. If you agree, the proposed Stuart letter should be modified considerably. The attached draft takes into account the two points made earlier in this memo and has been modified to take account of the second point made by Mr. Chevrier.

6. As regards Mr. Chevrier's point (a), I assume that Mr. Howe would wish to have mentioned in the letters what are the Canadian Government's *present* intentions regarding the continuation of 14-foot navigation at Cornwall.¹⁴¹

¹⁴⁰ Note marginale :/Marginal note:
Yes [L.B. Pearson]

¹⁴¹ Note marginale :/Marginal note:
This assumption is not necessarily correct & should be checked with Mr Marler and Mr Howe. L.B. P[earson]

7. Mr. Chevrier's third point regarding lock dimensions has validity because of the way in which the United States Corporation has been changing its mind on this subject. In view of the fact, however, that the proposed Stuart letter is to emanate from the U.S.A. and that it purports to record views expressed on January 6, I believe that the question of lock dimensions should be taken up separately by you with Ambassador Stuart. If you agree, I shall prepare a separate letter for your consideration.¹⁴²

8. As regards Mr. Chevrier's fourth point, namely, a mutual undertaking to forego *future* construction of duplicate facilities by Canada and the U.S.A. respectively on their territory at Iroquois and Barnhart Island, this is a major departure from the August 17, 1954 Notes and would require negotiations by both governments and Cabinet approval.

9. If you agree with these views, would you say if a draft^{†143} along the lines of the attached meets with your tentative approval? In this connection, you may wish to have a word with Mr. Howe before the Embassy is instructed to raise the matter with the State Department.

10. Attached for your signature, if you agree, is a letter to Mr. Chevrier,^{†144} explaining your views.¹⁴⁵

J. L[ÉGER]

[PIÈCE JOINTE I/ENCLOSURE I]

*L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures*

*Ambassador in United States
to Secretary of State for External Affairs*

TELEGRAM WA-61

Washington, January 14, 1955

CONFIDENTIAL. IMMEDIATE.

Reference: Your teletype EX-35 of January 11, 1955.

ST. LAWRENCE SEAWAY — PLANS TO BUILD AT BARNHART AND IROQUOIS

In answer to an invitation from the State Department we met on Wednesday, the 12 of January, with Mr. Outerbridge Horsey to discuss the text of a United States draft letter on the plans of Canada and the United States for the construction of navigation facilities in the Iroquois and Cornwall areas. We were able to suggest some changes in the original wording of the draft and these have been incorporated in the text of the draft given in my immediately following teletype.

2. Horsey began by saying that a preliminary draft letter had been prepared by Mr. Lewis Castle of the St. Lawrence Seaway Development Corporation and that Castle's draft had

¹⁴² Note marginale :/Marginal note:
OK [L.B. Pearson].

¹⁴³ Une version révisée de l'ébauche de lettre est reproduite comme document 420.
A revised version of the draft letter is reproduced as Document 420.

¹⁴⁴ Note marginale :/Marginal note:
Revised & signed by Minister Jan 27 M. W[ershof]

¹⁴⁵ Note marginale :/Marginal note:
Note: Mr Pearson OK'd attached draft subject to (1) checking with Mr Howe & Mr Marler on 14ft and (2) checking whole letter with them & Mr Chevrier. M. Wershof Jan 27

been submitted to the State Department where some changes, which Horsey did not specify, had been made. The present draft, he said, had been cleared with Deputy Secretary of Defense Anderson and officials in the State Department, but it was expected that the Canadian authorities would have some changes to suggest.

3. Our first comment in reply was that this was not exactly the kind of letter we had expected to receive but it was not necessarily less acceptable because of that. We had expected, we said, a little more about the future intentions of the two countries and the conditions or circumstances under which they would contemplate the building of parallel navigation facilities near Cornwall and Iroquois. We thought, however, that the present draft which, as you will notice, is concerned more with the present intentions of the two governments, might in general be satisfactory.

4. Commenting more specifically on the wording of the United States draft, we went on to say, referring to the second paragraph, that although the acquisition of land in the vicinity of Cornwall by the Canadian Government had been discussed at the meeting in Secretary Wilson's office, we did not think it was an essential part of the discussion. We suggested, therefore, that the third paragraph of the draft might well be omitted from the final text. Horsey at first was inclined to agree with our suggestion but later he said that he would prefer to retain the paragraph because it dealt with a point which had been the basis for some of the criticism against the Administration's seaway policy, and also because it was the only part of the letter which spoke about the construction of the additional navigation facilities by the two countries in the future.

5. At that point we immediately referred to your telegram, EX-35 of January 11. We said that although the point had not been discussed at the meeting on January 6, the Canadian Government wished to make clear its desire to safeguard the reservations we had made in the August 1954 exchange of notes about the construction of future navigation facilities. (Fortunately we had had an opportunity earlier in the week to discuss this same point with Vest of the State Department so that they had been forewarned on what we would probably wish to do.) We continued by saying that the Canadian authorities would like, if possible, to have included in the letter something along the lines of alternative (a) given in paragraph 4 of your telegram EX-35, and we indicated the sort of wording which might be used.

6. Horsey replied that he understood the position of the Canadian Government on this point but he indicated, as we expected him to, that it would be very difficult, if not impossible, to have that kind of wording accepted by the United States authorities. We then said that, as an alternative, the Canadian Government would probably be satisfied if the letter repeated the wording that had been used in the August, 1954, exchange of notes. Horsey was agreeable to that suggestion and you will see that the third paragraph of the draft contains part of the wording from the exchange of notes on this point.

7. Referring to the fourth paragraph of the United States draft, we said that there might be some disposition on the part of the Canadian authorities to question the wording used near the end of the second sentence, where it is indicated that the United States Administration will seek authority "to defer this feature" from its work programme. We explained that we had had a slightly different understanding, namely that the amendment that would be sought would relieve the Administration of the obligation to construct facilities at Point Rockway. Speaking on a personal basis, we said, it seemed to us that the difference essentially was one of timing and we would not press for any change in the wording now. It was possible however, that the authorities in Ottawa might raise some comment on this point and if so, we could discuss it again.

8. We then raised the question of when the letters might be made public. We were pleasantly surprised when Horsey said that in the State Department's view it would be preferable to make the letters public as soon as possible, since that was the way in which they would best serve their purpose. We told Horsey that we were sure that the Canadian authorities would welcome the immediate publication of the letters and mentioned that you had been thinking that the letters would have to be tabled in the House in Ottawa when they were shown to Congressmen and Senators here.

9. We should point out that Horsey's position on the publication of the letters does not coincide with what we understood Anderson's position to be originally. You will recall that in our telegram WA-15 of January 5 we reported that Anderson thought that the letters would not necessarily be made public. It may be, of course, that the State Department and the Department of Defense now have agreed that immediate publication is preferable, but, on the other hand, it is possible that there may have to be some further discussion on this point within the United States Government.

10. You will notice that the United States letter is to be sent from Ambassador Stuart to you. Although this particular channel was not discussed as one of the possibilities at the meeting in Secretary Wilson's office, we see no objection to it and we did not, therefore, make any comments to Horsey.

[PIÈCE JOINTE 2/ENCLOSURE 2]

*L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures*

*Ambassador in United States
to Secretary of State for External Affairs*

TELEGRAM WA-62

Washington, January 14, 1955

CONFIDENTIAL. IMMEDIATE.

Reference: Our immediately preceding telegram WA-61 of January 14.

ST. LAWRENCE SEAWAY — PLANS TO BUILD AT BARNHART AND IROQUOIS

The following is the text of the United States draft letter handed to us by Horsey at the State Department of Wednesday, January 12, Begins:

Dear Mr. Pearson:

I refer to the conversations which were held in Washington on January 6 between yourself, Mr. Howe and Ambassador Heeney and, on our side, Mr. Wilson, Mr. Anderson and myself, on our respective plans for St. Lawrence Seaway construction.

It is our understanding that the Canadian Government does not at this time intend to construct any new 14-foot canal facilities in the Cornwall area or to construct a 27-foot channel or lock accommodations in the vicinity of Cornwall or Barnhart Island.

It is understood, however, that the Canadian Government does plan to acquire land at this time in that vicinity for the purpose of providing navigation facilities to by-pass the powerhouse there, should such additional facilities be required to accommodate existing or potential traffic at some future date.

The United States Government has a statutory obligation to construct a canal and lock in the vicinity of Point Rockway, New York, opposite Iroquois, Ontario. However, since

the Canadian Government had announced its intention to construct forthwith a canal and lock at Iroquois, it is our intention at the appropriate time to seek from the Congress the authority to defer this feature from our program of work.

Consequently, the Canadian canal and lock at Point Iroquois will be the exclusive means for shipping in the International Rapids Section to by-pass the power project control dam. Similarly, the Long Sault canal with two locks near Massena, New York, to be constructed by the United States, will be the sole means for shipping to by-pass the powerhouse in the Massena-Cornwall area.

This arrangement eliminates any duplication of canal facilities on opposite sides of the river, and retains the development on a co-operative basis of this common undertaking by our two countries.

I would appreciate your confirming that this letter represents the understandings which resulted from our meeting in Washington.

Sincerely yours,
R. DOUGLAS STUART.

417.

DEA/1268-AD-40

*Note du sous-secrétaire d'État aux Affaires extérieures
pour le secrétaire d'État aux Affaires extérieures*

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

CONFIDENTIAL

[Ottawa], January 24, 1955

ST. LAWRENCE PROJECT

As a result of meetings held in Ottawa on January 21 between the St. Lawrence Seaway Authority and its United States counterpart, you will be receiving a letter† from the President of the Canadian Authority setting forth his views on some steps which the Canadian Government should take now regarding the construction of twin locks on United States territory and the depth of locks. In this memorandum I will cover this point. In other memoranda, I propose to give you an idea of other — but no less important — problems affecting the Project.

2. Messrs. Paul Pelletier and E.A. Côté obtained the following information at a luncheon given by Mr. R.A.C. Henry, consulting engineer of the Authority, on Saturday, January 22. Also present were Messrs. Chevrier and Carl West.

3. Mr. Chevrier said that he had learned from Mr. Castle (in the presence of Mr. Mayer, of the United States Embassy) that the United States Seaway Corporation intends to build *twin* locks opposite Barnhart Island. When he questioned Mr. Castle more closely, Mr. Chevrier learned that what Mr. Castle really intended to say was that, in preparing its engineering plans for the two locks opposite Barnhart Island, the United States Corporation would so site the whole works along a centre line that would allow for the construction, at a future date, of twin locks. (This, of course, is a totally different matter. It is evidence of prudent planning — the sort of planning we too would expect of Canadian engineers.)

4. Mr. Chevrier pressed the matter further and reminded Mr. Castle of the "agreement" (of which we only heard two or three days ago) reached with him and Mr. Anderson in November, 1954, namely that when any future addition to facilities are required in the

International Rapids Section, Canada will be allowed to build locks and a canal at Cornwall *before* the U.S.A. builds twin locks on its side in that area and that, reciprocally, the U.S.A. will be allowed to build on its side at Iroquois before Canada duplicated the Iroquois lock. Mr. Castle is said to have acknowledged that this was so. He is said to have gone further and to have been agreeable that this point and the point concerning the United States decision to conform to the Welland Ship Canal lock dimensions should be included in the "Exchange of Letters" you are now considering (see my memorandum of January 21).

5. It is, of course, doubtful that Mr. Castle has any authority to say what should be included in the "Exchange of Letters". On the other hand, any understanding along these lines propounded by Messrs. Chevrier and Castle would be helpful to Canada. An exchange of diplomatic letters which embodied such views would be better than nothing even if it did NOT constitute a binding international agreement.

6. There are two ways, at least, of seeking to clarify this matter. In the first place, we could seek to ascertain from Mr. Mayer if the Embassy believes that the United States Administration would agree to include in the proposed "Exchange of Letters" an assurance concerning (a) dimensions of locks and (b) first duplication of locks on the other national territory. If Mr. Mayer said that the United States Administration agreed, the "Exchange of Letters" accordingly could be redrafted. If Mr. Mayer said the United States Administration did not agree to the inclusion of these matters in the "Exchange of Letters", we could pursue the question of *dimensions* of locks in a separate letter (as proposed in my memorandum of January 21) and we could open negotiations now or later for point b).

7. Another way of dealing with this matter would be to write a separate letter *now* regarding lock dimensions and take up *later* the matter of the first duplication of locks. There is danger in this second course because, as time goes on, Canada may lose its bargaining power. In the first place, it will be difficult, one, two or ten years hence for Canada to compete in price. The building of two locks *and a canal* at Cornwall on Canadian territory would be a much more expensive job than the construction of twin locks on United States territory to fit into an already existing canal system. If we sought to find out United States Government intentions now and found out that the United States wishes to duplicate on its side before Canada should build at Barnhart Island, Canada could presumably do some 27-foot works now (say two miles of canals on the Canadian side) so as to put Canada later in a "competitive" position. It should be remembered that if and when duplicate facilities are required in the International Rapids Section, Canada shall be required to double and — where twin locks now exist — triple the Welland, Beauharnois and Lachine locks. Our American friends could thus press us, in public, to "play our marbles" in those areas and leave the International Rapids Section development to them. This public pressure would always be difficult to resist except that Canadians may probably wish to parallel the United States duplication by doing work at Iroquois. It would, at that time, be cheaper to build twin locks on the Canadian side of Iroquois than to build a lock and canal on the United States side in that area. Thus each country would be hostage unto the other! Accordingly, while I believe it would be useful if we could get an understanding between both countries that duplication in each of the Barnhart and Iroquois areas shall take place on the other side of the river from the works now to be built, I do *not* believe such undertakings are essential if only one of the main works is now built in either country.

8. On balance, I suggest that we try to ascertain informally from Mr. Mayer if the United States Administration would favour the inclusion in the proposed "Exchange of Letters" of the two items concerning lock dimensions and duplication. If the United States Government is not willing to do so, then you might write separately to Mr. Stuart and ask for a

clarification of the United States intention about the dimensions of the proposed *single locks* opposite Barnhart Island in accordance with the attached draft letter.¹⁴⁶ Do you agree?¹⁴⁷

9. This footnote may interest you. One of the U.S. engineers (Mr. Roy Stellar) told Mr. E.A. Côté that a definitive decision was taken *two months ago* by the United States Administration that the locks on the United States side would conform to Welland standards. This seems to show that there was little substance in Mr. Castle's curious contradictions in this regard during the last few weeks.¹⁴⁸

R.A. M[ACKAY]
for Under-Secretary of State
for External Affairs

418.

DEA/1268-AD-40

*Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis*
*Secretary of State for External Affairs
to Ambassador in United States*

TELEGRAM EX-152

Ottawa, January 28, 1955

CONFIDENTIAL

Reference: Your WA-142, January 26.

ST. LAWRENCE SEAWAY — PROPOSED EXCHANGE OF LETTERS

We have been having considerable difficulty in settling the terms of a counterdraft to the draft letter prepared by the United States and given in your WA-62 of January 14. That draft, I regret to say, is not acceptable for reasons given in the Under-Secretary's memorandum to me dated January 21, a copy of which was referred to you.

2. Additional complications have been created by Castle's rapidly changing position on lock dimensions and his unexpected reference (at his January 21 meeting in Ottawa) to preparations now for future "twinning" of the Barnhart locks on the United States side. Chevrier feels that these points ought to be covered and clarified in the exchange of letters and this request must be discussed here.

3. Mr. Howe and I have promised Anderson that there will be an early exchange of letters stating the intentions of the two Governments regarding duplication at Barnhart and Iroquois, and this promise will of course be fulfilled. However, our American friends will have to be patient in the negotiation of the actual terms of the letters.

4. I hope that definite instructions and a counterdraft can be sent to you next week.

¹⁴⁶ Une copie presque identique de cette ébauche est reproduite en tant que document 422.

An almost identical copy of this draft is re-produced as Document 422.

¹⁴⁷ Note marginale :/Marginal note:

Mr Mayer should NOT be broached with this beforehand E.A. [Côté]

¹⁴⁸ Note marginale :/Marginal note:

Note: Mr Pearson wants us to check letter with Mr Marler & to consider whether U.S. need be asked to agree to its text before the other Exchange of Letters is settled. M. W[erhsch] Jan 27

5. In the meantime please use your judgment on what to tell Horsey. I think that he might as well be told now that the draft in WA-62 will require considerable modification from our point of view.

L.B. PEARSON

419.

DEA/1268-D-40

*Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis*
*Secretary of State for External Affairs
to Ambassador in United States*

TELEGRAM EX-199

Ottawa, February 3, 1955

CONFIDENTIAL

Reference: Your WA-142 of January 26, 1954.

ST. LAWRENCE SEAWAY: PROPOSED EXCHANGE OF LETTERS

As soon as your WA-62 was received, we considered it and concluded that it required modification in several ways. A re-draft, restricted to the primary topic at issue, was prepared, i.e., reciprocal assurances concerning present construction at Barnhart Island and Iroquois. However, several questions arose concurrently to complicate the consideration of this letter.

2. You will recall that, as soon as it became known some weeks ago that Mr. Castle had requested a meeting with Mr. Chevrier on January 21, you informed that his purpose was to discuss larger lock dimensions. Subsequently you said that the "real reason" for the meeting was the question of reciprocal assurances regarding the possible *present* duplication at Barnhart and Iroquois. When, as a result of a meeting of Ministers in Washington, this "real reason" disappeared on January 6, Mr. Castle is said to have again desired to discuss larger lock dimensions. Yet, one day before the meeting, Mr. Chevrier was informed by Mr. Castle that this subject should be removed from the agenda because the Corporation had now decided to build according to Welland Ship Canal dimensions. The Seaway Authority was, naturally, anxious that, if possible, the matter of lock dimensions should be settled once and for all in diplomatic correspondence. In its view, the presently proposed exchanges of letters might be appropriate. Some officials believe that the matter of lock dimensions (as indeed the matter of twinning of locks by the United States) was settled in the Exchange of Notes of August 17, 1954. At all events, since the proposed exchange of letters is to cover what was said on January 6th and the letters are to start with one by the United States, it was not thought appropriate to seek to cover this point now. In a separate telegram, you will be receiving instructions on this specific point.

3. A second factor was not only the linking, in the United States draft letter, of an "undertaking" by Canada NOT to continue 14-foot navigation works through the power pool with Canada's *undertaking* of August 17, 1954 not to build *now* a canal and two locks to by-pass the power-houses but a broader statement of the position that Canada should build NO 27-foot works whatsoever in the Cornwall area. This latter point brought to our attention by the Seaway Authority, is of considerable importance. Though Canada has NO intention to complete *now* deep-water works which allow 27-foot navigation to by-pass the power houses at Barnhart Island, we may find it useful and even necessary to undertake,

for example, 27-foot channel enlargements in the vicinity of Cornwall to restore the balance of flow which will, in all likelihood, be disturbed by the U.S. Seaway Corporation's channel enlargements for navigation purposes south of Cornwall Island.

4. A third complication arose out of the discussions between the Corporation and the Authority as a result of which the Canadians at the meeting understood that there might be a *present* intention on the part of the Corporation to twin its locks at Barnhart Island. Our own understanding is identical with yours, namely that the United States Corporation intends to position its works at Barnhart Island so as to be able, *in the future*, to twin the locks if necessary. We assume, however, that when the United States desires to twin at Barnhart Island, it will, in accordance with paragraph 4(b) of our Note of August 17, 1954, consult Canada.

5. With these considerations in mind, we have prepared a counter-proposal to the United States draft letter contained in your WA-62 of January 14. This draft, contained in my immediately following telegram, now carries the judgment of Ministers. You might, therefore, propose it to Horsey for Mr. Anderson's consideration. In doing so, you might make the following points:

(a) It is *not* intended that the proposed exchange of letters shall constitute a departure from the Notes of August 17, 1954 except insofar as there is a statement of the present Canadian intention concerning 14-foot navigation and a statement of United States present intention concerning the construction of 27-foot navigation works opposite Iroquois;

(b) We will be seeking to obtain in the near future, through the diplomatic channel, confirmation of our understanding that the U.S. Corporation will build its locks to the dimensions of those of the Welland Ship Canal.

6. For your own information, when the Canadian reply is given to the United States letter, Mr. Pearson has agreed that we should repeat orally the point made during the negotiations, namely that an important factor bearing on the future requirement for parallel facilities on the Canadian side at Barnhart Island would be increased volume of traffic; another factor would be unreasonable or unwarranted interference with, or delays to, Canadian shipping.

420.

DEA/1268-D-40

*Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis*

*Secretary of State for External Affairs
to Ambassador in United States*

TELEGRAM EX-200

Ottawa, February 3, 1955

CONFIDENTIAL

Reference: My immediately preceding telegram.

ST. LAWRENCE SEAWAY: PROPOSED EXCHANGE OF LETTERS

Following is text of the Canadian counter-proposal of the text of the letter which Ambassador Stuart might send to Mr. Pearson: Begins:

Dear Mr. Pearson:

I refer to the conversations which were held in Washington on January 6 between yourself, Mr. Howe, and Ambassador Heeney and, on our side, Mr. Wilson, Mr. Anderson and myself, on our respective plans for St. Lawrence Seaway construction.

In the light of these conversations and of the arrangements and statements made public in August, 1954, we understand that the Canadian Government does not intend to complete the works necessary to allow 27-foot navigation to by-pass the power houses in the Cornwall-Barnhart Island area until it considers that such works are required to accommodate existing or potential traffic at some future date but that the Canadian Government intends to acquire land now in the vicinity of Cornwall to meet such an eventuality. It has also appeared to us that the Canadian Government does not intend, at this time, to construct a new 14-foot lock to by-pass the power houses in that area.

The United States Government has, as you know, a statutory obligation under Public Law 358 to construct facilities for 27-foot navigation in the vicinity of Point Rockway, N.Y., opposite Iroquois, Ontario. However, since the Canadian Government has announced its intention to construct forthwith facilities for 27-foot navigation at Iroquois, it is the intention of the United States Administration to seek from Congress, at the appropriate time, the necessary authority to be relieved of this statutory obligation.

Consequently, if this authority is granted by Congress, it will mean that the Canadian canal and lock at Iroquois will be, for the time being, the exclusive means for 27-foot navigation to by-pass the power project control dam at that point. Similarly, the Long Sault canal with two locks near Massena, N.Y., to be constructed by the United States, will be, for the time being, the exclusive means for 27-foot navigation to by-pass the power house in the Cornwall-Barnhart Island area.

Such an arrangement would eliminate duplication of facilities for 27-foot navigation on opposite sides of the river in the International Rapids Section until such time as these facilities may be required as aforesaid.

I would appreciate your confirming that this letter represents the views expressed at our meeting in Washington.

Sincerely yours,

R. DOUGLAS STUART

Message ends.

421.

DEA/1268-D-40

*Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis*

*Secretary of State for External Affairs
to Ambassador in United States*

TELEGRAM EX-201

Ottawa, February 4, 1955

CONFIDENTIAL

Reference: My telegram No. EX-199 of February 3, 1955.

ST. LAWRENCE SEAWAY: ASSURANCES ON LOCK DIMENSIONS

We are inclined to believe that the question of the lock dimensions was definitively settled probably much earlier than it was realized in the United States. In Public Law 358, the Seaway Corporation is authorized and directed to construct navigation works "substantially in accordance with" the controlled single stage project 238-242 in the Joint Report dated January 3, 1941 of the Canadian Temporary Great Lakes-St. Lawrence Basin Committee and the United States Advisory Committee. The engineering part of this Report specifies that the locks shall have 30 feet over the sills and shall be, generally, of the dimensions of those in the Welland Ship Canal. Public Law 358 fixes the depth over sills at 30 feet. (Incidentally, the twinning of locks would be, in our preliminary view, a "substantial" departure from the existing Law and arrangements of August 17, 1954).

2. In order to remove some uncertainty which seemed to originate with the U.S. Seaway Corporation, Mr. Pearson (with the approval of his colleagues) would be prepared to send to Mr. Stuart a letter in the sense of the draft shown in my immediately following telegram. If you think it appropriate, you might find an occasion to show it, as a matter of courtesy, to Horsey in the State Department and to say that Mr. Pearson or the Acting Minister may soon send a letter along these lines to Mr. Stuart. You will notice that, in the last paragraph, we are asking assurances concerning the *dimensions* of "single locks". This might, coincidentally, remove any doubt concerning twinning. At all events, this Note would be designed to ascertain the United States intentions and we are not seeking to ascertain, in advance, what might be the United States reaction to it. Ends.

422.

DEA/1268-D-40

*Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis*

*Secretary of State for External Affairs
to Ambassador in United States*

TELEGRAM EX-202

Ottawa, February 4, 1955

CONFIDENTIAL

Reference: My immediately preceding telegram.

ST. LAWRENCE SEAWAY: LOCK DIMENSIONS

Following is text of draft letter to Ambassador Stuart, begins:

My dear Ambassador:

As you know, the St. Lawrence Seaway Authority of Canada is now preparing, under statutory authority, to construct a number of locks at Lachine, Beauharnois and Iroquois in order to provide deep-water navigation in the St. Lawrence River. The statutory authority for these works, the St. Lawrence Seaway Authority Act of 1951, specified that facilities are to be provided for navigation requiring a controlling channel depth of 27 feet with a depth of 30 feet over lock sills. These dimensions are in accordance with the joint recommendations of the Temporary Great Lakes-St. Lawrence Basin Committee and the United States Advisory Committee dated January 3, 1941 and they conform to the dimensions of locks in the Welland Ship Canal which are generally 800 feet in length, 80 feet in width and 30 feet in depth over the sills.

In recent months there appear to have been some question as to whether the locks to be built on United States territory by the Saint Lawrence Seaway Development Corporation of the United States will be of dimensions different from those described above. Recently, however, the Administrator of the United States Corporation wrote to the St. Lawrence Seaway Authority of Canada that the Corporation had decided to adhere to the Welland Canal lock dimensions in its construction of locks in United States territory.

In order to remove the possibility of any further doubt about this question, I should be grateful if you would confirm that the United States Government has decided that the dimensions of the single locks to be constructed on the United States side of the International Rapids Section of the St. Lawrence River will confirm to the dimensions of the locks of the Welland Ship Canal. Draft ends. Message ends.

423.

DEA/1268-D-40

*L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures
Ambassador in United States
to Secretary of State for External Affairs*

TELEGRAM WA-216

Washington, February 5, 1955

CONFIDENTIAL. IMPORTANT.

Reference: Your teletype EX-199 of the 3 of February.

ST. LAWRENCE SEAWAY: PROPOSED EXCHANGE OF LETTERS

1. Thank you for getting to us so quickly the Canadian counter-draft, which seems to us to be very skilfully drawn. We called on Horsey yesterday afternoon at the State Department and left copies with him.

2. After reading it, he said that he would prefer not to comment in detail, since before doing so, he would like to consult with other officials in the State Department, the Department of Defense, and the St. Lawrence Seaway Development Corporation. He did, however, ask us what significance should be attached to the differences between the last sentence of the second paragraph of your draft and the first part of the second sentence of the United States draft, which also deals with 14-foot navigation at Cornwall. We

explained that, since it would be necessary for ships passing up and down the St. Lawrence to be able to put in to Cornwall, even though they would not be using the 14-foot canals to by-pass the power houses at Barnhart Island, some new construction might be required for a turning basin, etc., at Cornwall. On that account, the Canadian authorities would not be willing to express the intention not to construct any new 14-foot canal facilities in the Cornwall area. Horsey seemed quite satisfied with this explanation. He still wondered, however, what might be the significance of the use of the words, "it has also appeared to us ...", which seemed to him rather odd. Would the Canadian authorities agree to that sentence beginning: "We also understand?" We replied that we did not know why those particular words had been chosen, but expressed the personal view that you might be agreeable to the change he had suggested.

3. Horsey did not enquire about the statement earlier in the same paragraph "that the Canadian Government does not intend to complete the works necessary to allow 27-foot navigation to by-pass the power houses in the Cornwall-Barnhart area..." We rather regretted this, since we were prepared to explain why it might be necessary for several practical reasons to undertake 27-foot channel enlargements on the north side of Cornwall Island. However, since he did not question this passage in your draft, we did not think it appropriate for us to draw it specifically to his attention.

4. On the other hand, we did bring to his notice that your draft confines itself to the subjects discussed at the meeting between Canadian and United States Ministers that took place in the Pentagon on the 6 of January. The question of lock dimensions had been deliberately excluded from this proposed exchange, we told Horsey. But, because of the uncertainties there had been over the dimensions of the canals to be built in United States territory, there was some uneasiness over this matter in Ottawa and a desire that it should be finally settled in diplomatic correspondence. For that reason it was likely that the Secretary of State would shortly be writing to the United States Ambassador in Ottawa:

- (a) To inform him that the Canadian canals would be built to the Welland dimensions;
- (b) To express our understanding that the United States canals would be built to the same dimensions; and
- (c) To ask for confirmation of the latter point.

We did not show Horsey the draft letter you have prepared on this subject because we were afraid that, if we did so, it might be impossible to avoid discussion of the terms in which it had been drafted. We were also apprehensive that the introduction of your draft on lock dimensions at this stage might complicate and delay the process of reaching agreement on the proposed exchange of letters to record the understanding that was reached on the 6 of January.

5. Horsey's only comment on our indication that the United States Embassy might expect to receive shortly a letter on lock dimensions was that he hoped this would not cause any reflection on Mr. Castle's word, who, after all, had written to a member of the St. Lawrence Seaway Authority to state that the development corporation here is "quite determined to adhere to the original Welland dimensions". Although we fully agree with you that it would be useful in the near future to have this point settled in more formal correspondence, we wonder whether it might not be possible to defer the exchange of letters on lock dimensions until letters have been exchanged on the Canadian and United States intentions for construction at Cornwall and Iroquois, respectively. In our opinion, such a slight delay should make for smoother sailing.

6. Before leaving, we told Horsey that we did not regard the proposed exchange of letters currently under negotiation as constituting a departure from the notes of the 17 of August,

1954, except insofar as they contained a statement of the present Canadian intention concerning 14-foot navigation and a statement of the present United States intention concerning construction of 27-foot navigation works opposite Iroquois. Horsey noted our remarks to that effect and did not demur.

7. Finally, he promised that he would be getting in touch with us again as soon as the Canadian counter-draft had been considered by the other United States authorities concerned.

A.D.P. HEENEY

424.

DEA/1268-D-40

*Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis*

*Secretary of State for External Affairs
to Ambassador in United States*

TELEGRAM EX-234

Ottawa, February 8, 1955

CONFIDENTIAL

Reference: Your WA-216 of February 5, 1955.

ST. LAWRENCE SEAWAY: PROPOSED EXCHANGE OF LETTERS

The reason for our re-draft of para. 2 of the United States draft letter is as follows. The only undertaking on 14-foot navigation given by Canada during the August, 1954 negotiations was to consult the United States if we intended to continue 14-foot navigation *toll-free* (our "collateral letter" of August 24, 1954). Therefore, in para. 2 of the United States draft letter, we did not like the linking of the present "understanding" that Canada would not continue 14-foot navigation with the Canadian *undertaking*, as expressed in our Note of August 17, 1954, not to build now complete 27-foot navigation works at Barnhart. Furthermore we used the phrase "it has also appeared to us...", rather than "we also understand..." because we wished to distinguish between a new verbal expression of intention and a formal commitment in the past.

2. We too regretted that no opportunity arose to explain to Horsey why Canada might wish to construct a 27-foot channel north of Cornwall Island. You will doubtless seek to explain this matter to Horsey on a suitable occasion and should take the initiative if necessary. If you need further background information on this matter, kindly let us know.

3. We agree that it would be profitable to complete the present exchange of letters before sending the new letter to Ambassador Stuart on lock dimensions. After the present exchange is completed we shall give you ample notice before sending the letter on lock dimensions to Ambassador Stuart; meanwhile your comments on our draft would be welcome. We have of course endeavoured, in our draft, not to cast undue reflection on Mr. Castle (your para. 5). I might say that whatever uneasiness may have arisen here on lock dimensions is in no small part due to Mr. Castle's contradictory statements. He did publicly announce last November that the United States Corporation would adhere to Welland dimensions; nevertheless he did seek to raise the question of dimensions again, and then withdrew it from the agenda of the last Corporation-Authority meeting only at the last moment. Because of the financial engineering and political implications (on both sides of the border) of any proposals to deepen navigation facilities — and also for domestic pur-

poses — it seems desirable to end any possible uncertainty about lock dimensions before the new construction season.

4. For your own information and in view of paragraph 5 of your telegram, we are asking Mr. Chevrier if he can suggest an amendment to Mr. Pearson's proposed letter to Ambassador Stuart which would ease the position for Mr. Castle.

425.

CEW/3175

*Le chef de la Direction de l'Amérique
au ministre-conseiller de l'ambassade aux États-Unis*

*Head, American Division,
to Minister-Counsellor, Embassy in United States*

CONFIDENTIAL

Ottawa, February 8, 1955

My dear Doug [LePan]:

We were all very grateful for telegram WA-216 on the St. Lawrence Seaway which Mr. Heeney sent to us on February 5th. He was, as ever, generous both in work and spirit.

In this telegram, Mr. Heeney indicated that Horsey had not questioned the significance of the changes which had been made as regards the 27-foot works in the vicinity of Cornwall. I thought it might be useful to give you a bit of background as to some of the thinking in the Department.

In passing — and before getting into this question — I might probably say that Max Wershof, Sid Freifeld and I had thought (in varying degrees) that the draft letter proposed by the State Department in WA-62 was somewhat impertinent. Candidly, it seemed to me to be an unmitigated attempt by our friends to modify the agreement contained in the August 17 Exchange of Letters! Be that as it may, I think that it would be useful to give you some background on what we expect might be the turn of events as regards the 27-foot channel excavations in the vicinity of Cornwall and the necessity for Canada to keep her rights unfettered in that connection.

If you turn to the St. Lawrence Seaway map contained in the Application of June 30, 1952 to the I.J.C. you will note that below the powerhouse are to be found three splotches of brown which indicate areas where cuts or dredging may have to take place. Paragraph 8(a) of the Application provides in the penultimate sentence that "Downstream from the power houses channel enlargements will be carried out for the purpose of reducing the tail water level at the power houses". The last sentence of this paragraph provides that the final location and cross section of these channel enlargements "will be determined from further studies". Paragraph (a) of Appendix A to the Order of October 29, 1952 repeats this language of both these sentences in identical terms.

As the studies of Ontario Hydro and of the Power Authority of the State of New York progress, it is becoming apparent to them that dredging for the purpose of reducing the "tail water level at the power houses" may be required *only* in the one area (shown in brown on the map) immediately adjacent to the power house. Little, if any, dredging may be required South or North of Cornwall Island for *power* purposes. The Canadian section of the St. Lawrence River Joint Board of Engineers and General McNaughton (as well as members of the Canadian Seaway Authority) are becoming convinced that this will prove to be the case. The corollary is, of course, that a large amount of dredging may be required for the navigation approaches to the United States 27-foot canal and locks in that area

South of Cornwall Island now that the U.S. Seaway Corporation is to build the canal and two locks near Massena. Such dredging may affect the distribution of the flow of the River in that area. At present, possibly 60% of the St. Lawrence River flows through Polly's Gut, South of Cornwall Island while 40% flows North of Polly's Gut. Indications are, from model tests carried out at the National Research Council in Ottawa, that any dredging whatsoever South of Cornwall Island will disturb this distribution of flow and level. Indications are that such dredging for navigation purposes may disrupt the flow to the extent of drawing 80% of the water South of Cornwall Island through Polly's Gut thus leaving only 20% of the flow North of Cornwall Island.

Article III of the Boundary Waters Treaty of 1909 provides that, in addition to the uses, obstructions and diversions heretofore permitted or "hereafter provide for by special agreement" between the parties no further uses, obstructions or diversions of boundary waters on either side of the line affecting the "natural flow or level of boundary waters on the other side" shall be made except by the Authority of the United States or Canada within their respective jurisdiction "and with the approval" of the International Joint Commission. The second paragraph of this Article goes on to say that these provisions are not intended to "limit or interfere" with the existing rights of governments "to undertake or carry on governmental works in boundary waters for the deepening of channels", etc., "for the benefit of commerce and navigation", provided that such works are "wholly on its own side of the line" and "do not materially affect the level or flow of the boundary waters on the other" and do not interfere with the ordinary use of water for domestic and sanitary purposes. It therefore appears to some of us that the dredging for navigation purpose South of Cornwall Island is likely *materially* to affect the level of flow of boundary waters on the Canadian side. In addition, the works which the United States would have to do South of Cornwall Island are not "wholly on its side of the line". We conclude, therefore, that, before dredging South of Cornwall Island for navigation purposes, the United States will require either the permission of the I.J.C. or a special agreement with Canada. For the reasons shown hereafter, I think it possible — and even probable — that Canada will prefer to have a special agreement with the United States.

If the United States wishes to dredge for navigation purposes South of Cornwall Island, Canada will certainly require that compensatory works (possibly in the form of dredging) should be done on the Canadian side North of Cornwall Island. (I understand that if there is dredging done for *power* purposes South of Cornwall Island, compensatory works in the form of dredging would be done North of Cornwall Island: the I.J.C. would insist upon this under its Order of October 29, 1952 — General McNaughton *dixit!*) I understand that the cheapest form of dredging to restore a given volume of flow would be to dredge over a broad, shallow area. If Canada has any hope of having 27-foot locks and canals in the Cornwall area it might be the part of wisdom to ensure that the compensatory works should *not* be done over a broad, shallow area but over a narrower and deeper area and in such a manner as to constitute part or the whole of a 27-foot channel in being on the Canadian side. The additional cost attributable to this latter method of dredging would, of course, be borne by Canada. We would thus ensure that in future we would not have to seek the consent of the United States or the approval of the I.J.C. to dredge North of Cornwall Island in order to obtain a 27-foot channel and we would have put to better use the compensatory works which the United States would presumably have to do on the Canadian side. In addition to wishing the U.S.A. to do compensatory works in Canada (at its expense) in a given manner, the question of the *régime* to govern soil disposal and dredging on Canadian territory South of Cornwall area all militate, as I see, in favour of a "special agreement" foreseen by the Treaty. I am afraid, our American friends (who are aware

of this problem, I am told, on the engineering level) are not going to like this in the least! It explains, in part, I think, their desire for our "undertakings". The more so, that we have now "discovered" that it may be dangerous — once the level of water is raised in the power pool — to breach the dykes on the Canadian side! We may, therefore, wish to reverse the field and to have the groundwork at least for 27-foot (in fact for 30-foot) navigation works done in the dyke now.

It is for these reasons that we are not too anxious, at this time, to commit ourselves to the Americans that we shall do no 27-foot works in the Cornwall area!

I hope that this may prove to be useful to you. If there are any points which are unclear, please let me know.

Yours sincerely,
ERNEST [CÔTÉ]

426.

PCO

*Note du chef du Comité du Cabinet
sur le projet du Saint-Laurent*

*Memorandum by Chairman, Cabinet Committee
on St. Lawrence Seaway Project*

CABINET DOCUMENT NO. 25-55

[Ottawa], February 8, 1955

CONFIDENTIAL

ST. LAWRENCE POWER PROJECT; SPECIAL CUSTOMS AND IMMIGRATION
ARRANGEMENTS RESPECTING CHANNEL EXCAVATIONS

The special Cabinet Committee established by Cabinet on February 1st to review any problems that might arise with regard to the St. Lawrence Seaway and Power Project considered on February 3rd and 4th a report on special customs and immigration arrangements that might be made with regard to channel excavations required for power purposes in the International Section of the St. Lawrence River. The report, copy of which is attached, was prepared and submitted by the Interdepartmental Committee on the St. Lawrence Project.

The Cabinet Committee, after considering the implications of the various courses of action open to the government in this matter, generally favoured the third alternative set out on pages 6 and 7 of the Interdepartmental Committee's report. This would involve remission of customs duty and excise taxes on all equipment to be used both for wet and dry excavations to be undertaken for power purposes in the International Section of the St. Lawrence River and also a complete waiver of normal immigration requirements for persons employed on such excavations.

It is suggested that this course of action would be in the best interests of Canada because,

(a) it would likely ensure the employment of many hundreds more Canadian workmen than if no such special arrangements were made;

(b) although the customs waiver would have to apply to all countries and not only to Canada and the United States, this would not likely be prejudicial to the interests of Canadian manufacturers because practically all of the heavy earth-moving equipment that would be used in the dry excavations is manufactured in the United States in any event, and because the dredges required to do the wet excavations are already in the hands of

Canadian and U.S. firms (European dredging firms will probably not be in a position to bid on the contracts to be let by Ontario Hydro as all of these contracts will involve a fair amount of dredging in U.S. waters and there is an outright prohibition against the use of other than Canadian and U.S. dredges on the U.S. portions of this project); and

(c) the international boundary crosses through most of the blocks of excavations to be undertaken and it would consequently be very difficult to apply customs requirements and virtually impossible to apply normal immigration requirements.

In view of the above, the Cabinet Committee recommends that customs duty and excise taxes be remitted on the equipment to be used for wet and dry excavations for power purposes in the International Rapids Section of the St. Lawrence River and that normal immigration requirements be waived with regard to persons employed on such excavations provided.

(a) that the U.S. Administration enter into a reciprocal arrangement on the above basis with regard to the excavations for power purposes on the U.S. side of the International boundary;

(b) that customs duty and excise taxes are not waived with regard to consumable materials such as gasoline, oil, food, etc., to be used; and

(c) that satisfactory assurances are received that nothing in U.S. federal or state law will prevent Ontario Hydro from requiring that Canadian wage rates shall apply to the labour employed on its excavation contracts even though some of these excavations may be in U.S. territory.¹⁴⁹

GEORGE C. MARLER

[PIÈCE JOINTE/ENCLOSURE]

*Note du secrétaire adjoint du Cabinet
pour le Cabinet*

*Memorandum from Assistant Secretary to Cabinet
to Cabinet*

CONFIDENTIAL

[Ottawa], February 2, 1955

ST. LAWRENCE POWER PROJECT; SPECIAL CUSTOMS AND IMMIGRATION
ARRANGEMENTS RESPECTING CHANNEL EXCAVATIONS

At a meeting held on July 13, 1954, the Cabinet considered recommendations of an Interdepartmental Committee of officials with regard to special customs and immigration arrangements with the United States on the movement of equipment, materials, and personnel across the Canada-U.S. boundary during the course of construction of the St. Lawrence Power project by the Ontario Hydro Electric Power Commission and the New York State Power Authority.¹⁵⁰ At this time, the Committee reported that it had come to the conclusion that the most practical and defensible course of action would be to make a distinction between the "international" and the "national" components of the project and to waive all duties, taxes and normal immigration requirements in respect of the former while making no concessions of any kind with regard to the latter.

¹⁴⁹ Approuvé par le Cabinet, le 9 février 1955.

Approved by Cabinet on February 9, 1955.

¹⁵⁰ Voir/See Volume 20, Document 570.

The total Canadian and U.S. investment in the power project is of the order of \$500 million. Of this, something more than \$350 million will be expenditures on components of an essentially "national" rather than "international" character and clearly located on one side of the boundary or the other. These national works include both power houses, the generating equipment, the Long Sault dam, the dykes and all rehabilitation undertakings such as relocation of highways, railways, bridges, towns, etc. The remainder of the power project amounting to slightly more than \$130 million for both Ontario and New York consists of works which are predominantly "international" and include three main items — i.e. the cofferdams, the channel improvements and the Iroquois control dam.

After considering the Interdepartmental Committee's recommendations, the Cabinet agreed,

(a) that all duties and taxes on materials to be incorporated in the cofferdams and on equipment to be used in the construction of these cofferdams be remitted, and that normal immigration requirements be waived in respect of persons employed on these works;

(b) that without commitment — except with regard to cofferdams — as to which works should be classed in each category, approval be given to the principle that all duties and taxes should be remitted and normal immigration requirements waived in respect of "international" works; and

(c) that the U.S. State Department be informed that the Canadian Government was prepared to reciprocate in the matter of special customs and immigration arrangements on cofferdams as set out in (a) above, and that the Department of External Affairs be authorized, in consultation with the government departments concerned and subject to final Cabinet approval, to negotiate with the State Department a reciprocal customs and immigration agreement covering the whole power project along the lines suggested in (b) above.

Following the Cabinet's decision of July 13th, final arrangements for a complete waiver of duties and taxes and immigration requirements on the cofferdams were worked out by the Department of External Affairs and the U.S. State Department and work on the cofferdams is now under way.

I. THE CHANNEL EXCAVATION PROBLEM

Although a decision is not required immediately with regard to the Iroquois control dam, there is some urgency in reaching an early decision on the channel excavations to be undertaken on both sides of the boundary since both Ontario and New York plan to draw up specifications for these works in the near future in order that tenders may be called, contracts awarded and the works started as early as possible in the spring of 1955.

(a) *Work to be done*

It is estimated that there is approximately \$91 million worth of channel excavation to be done in the international section, including approximately \$10 million of excavation for seaway purposes below the power houses. The nature, value and location of the excavation to be done is shown in the following table:

Cost and Nature of Excavation for Power and Seaway Purposes
in International Section of the St. Lawrence River

	<u>In United States</u>	<u>In Canada</u>
Wet excavation	\$26.6 million	\$15.0 million
Dry excavation	42.3 million	7.1 million
TOTAL	<u>\$68.9 million</u>	<u>\$22.1 million</u>

(the excavation for seaway purposes below the power-house will be mainly wet excavation of which approximately \$7 million worth will be in the United States and \$4 million in Canada).

It is important to note that of the total channel enlargements to be undertaken more than half (\$49.4 million) will be in the form of dry excavation while only \$41.6 million worth will be wet excavation requiring the use of dipper and ladder dredges. It is also important to note that although almost all the dry excavation to be undertaken lies within the United States, something less than two-thirds of the wet excavation is in U.S. territory and the balance in Canada.

(b) *Division of total works between Ontario and New York*

Before work was undertaken on the St. Lawrence project, it was agreed between Ontario Hydro and New York State Power Authority that responsibility for construction of the works would be divided, both in dollar value and in man hours, as evenly as possible between Ontario and New York and without too much regard to the international boundary. To date, the only special customs and immigration arrangements that have been made concern the cofferdams and it has been agreed that Ontario Hydro will construct all the cofferdams required at the power houses while New York will construct all the cofferdams required both at the Long Sault Dam and at the Iroquois control dam. Assuming that the international boundary will decide what entity is to perform the remainder of the works, the total expenditure (excluding generating equipment, interest during construction and certain other charges) by New York on the completed project will be \$218 million as opposed to an expenditure of only \$184 million by Ontario Hydro.

The power entities claim that the only really practical way of re-establishing a more satisfactory balance between the two entities would be to allocate to Ontario Hydro the responsibility for undertaking a considerable portion of the channel enlargements which lie within U.S. territory. Such a reallocation has been informally agreed to by both Ontario and New York and on January 6th the Chairman of the Ontario Hydro Power Commission and the Assistant General Manager (Engineering) submitted the details of this reallocation and enquired whether the Canadian and U.S. governments would agree to a complete waiver of customs and immigration requirements in order that both Canadian and U.S. contractors might bid on the blocks of excavations allocated to New York and Ontario respectively regardless of the international boundary. If this were done it would mean, in effect, that for channel enlargement purposes the international section of the St. Lawrence River from Prescott to Cornwall would become a free zone and that both Canadian and U.S. contractors could bid on tenders called either by Ontario or by New York.

Under the plan suggested by Ontario and New York, channel enlargements would, generally speaking, be divided into two large blocks — Ontario Hydro undertaking the excavation to be done above, through and below Galop Island, while New York would do most of the excavation downstream from Sparrow Hawk Point. Under this scheme the total value of the excavation to be undertaken by Ontario would be \$55.5 million while New York would spend approximately \$27.4 million on its share. If this were agreed to, the total expenditures by both entities on the completed project would be \$212 million by Ontario and \$213 million by New York.

(c) *The legal position*

The laws of the United States prohibit any dredge from operating in U.S. waters unless it has been and registered in the United States. However the U.S. Collector of Customs at Ogdensburg informed the General Counsel of the New York State Power Authority on November 17th, 1954, that on the written recommendation of the Deputy Secretary of Defence who deemed the action necessary in the interests of defence, the U.S. Commissioner of Customs had waived 46 USC 292 to the extent necessary to permit any Canadian built dredge to be employed in dredging operations on the U.S. side of the international

boundary in connection with the St. Lawrence seaway and power projects without being documented as a vessel of the United States. The customs problem does not arise in connection with this waiver since there is no U.S. tariff on dredges.

The legal situation in Canada is not as clear cut. The Deputy Minister of Justice has, under date of January 27th, expressed the opinion that the only provision in the Canada Shipping Act which appears to have any bearing on the matter is Section 672 which provides that the master of any steamship, not being a British ship, engaged or having been engaged in towing any ship, vessel or raft from one place in Canada to another, is liable to a fine of \$400. However the government would no doubt be reluctant to use a provision of this kind in the matter under reference and, in any event, an American dredging company could circumvent this section by employing a Canadian ship to tow its dredge. The Deputy Minister of Justice has advised further that persons employed in dredging operations within Canadian boundaries would of course be required to comply with the terms of the Immigration Act and that, with the exception of Canadian citizens or persons with Canadian domicile that might be employed on the dredges, it would be necessary for the persons so employed to qualify as non-immigrants within the meaning of section 7 of the Immigration Act or as an immigrant who is a person seeking admission into Canada for permanent residence. Finally, there are the provisions of the Customs Tariff (Item 440A) under which dredges destined for use or service in Canadian waters are subject to duty of 25 percent of the fair market value of the hull, rigging, machinery, boilers, furniture and appurtenances thereof, on arrival in Canada. A sales tax of 10 percent is also payable on U.S. dredges brought into Canada.

II. THE CONSIDERATIONS

A recent survey of Canadian facilities has indicated that Canadian companies have all the equipment required to do all the dredging to be undertaken for both seaway and power purposes in the International Rapids Section, including those portions of the work which lie in U.S. territory but which have been allocated to Ontario. On the other hand, Canadian construction companies claim that they would have to purchase a considerable amount of new machinery if they took on a substantial part of the dry excavation.

The problem, however, is not so much one of determining whether Canadian contractors have the equipment to do the work but rather of deciding what special arrangement, if any, would be in the best interests of Canada.

One important point to keep in mind is that a large portion of the block of excavation tentatively allocated to Ontario Hydro in and around Galop Island would involve the use not of dredges but of ordinary earth-moving equipment. The waiver by the U.S. Commissioner of Customs relates only to dredges and if the plan submitted by Ontario and New York is to be carried through this would involve some form of agreement between Canada and the United States covering not only dredges but other excavating equipment such as bulldozers, trucks, etc.

Both Ontario and New York are interested in obtaining a complete waiver of duties and immigration requirements with regard to excavation because this will contribute to lower the costs of the work. It has been suggested that costs would be reduced not only because there would be no customs duties to be paid but also because lower bids may result from the fact that Canadian and American dredging companies would have to compete against each other on equal terms for all the business available, whether on the Canadian or on the U.S. side of the boundary.

In order to determine how the Canadian contractors themselves would react to a complete waiver of customs and immigration requirements with respect to the channel excava-

tions, informal approaches were made to the three largest Canadian dredging companies (Marine Industries Limited, Canadian Dredge and Dock Limited, and J.P. Porter and Sons Limited), and to the General Manager of the Canadian Construction Association and representatives of a number of the larger construction firms in Canada. Without exception, they all argued against any waiver in the international section of the St. Lawrence. The reasons advanced by these companies in support of their stand are set out in Appendix A hereto.†

At least some of the argument advanced by the dredging and construction companies are open to question. For example, the dredging companies pointed out that wages in the United States were 60 to 70 percent higher than in Canada and they feared that, if the International Section was declared a free zone, Canadian wage rates would inevitably be pushed close to the U.S. level. In answer to this argument, it should of course be pointed out that an increase in Canadian wage levels will likely occur in any event, since Canadian and U.S. dredges will be working in close proximity to each other whether or not any special customs or immigration arrangements are made. The Canadian construction companies pointed out that they must import all of their heavy equipment and must pay duties ranging from 10 to 30 percent. In actual fact, the duty on the heavy earth-moving equipment required in the International Section ranges from "free" to 22 1/2 percent, and the average duty on the bulk of the machinery to be used is 7 1/2 percent. The construction industry also pointed out that Canadian companies would have to purchase a considerable amount of new machinery if they took on a substantial part of the dry excavation. On the other hand, engineers of Ontario Hydro have stated that there is no more yardage to be excavated in the dry in the block tentatively allocated to Ontario than there was at the recently developed Hydro project at Niagara, where all the excavation was done by Hydro itself, either with its own equipment or with equipment rented from Canadian companies.

The effect of a customs waiver on Canadian manufacturers would likely be negligible since materials are not involved to any significant extent in either wet or dry excavation.

Assuming that the dredging and construction companies are right and that a waiver of customs and immigration requirements in the International Section would be to their disadvantage, it remains to be determined what would best serve the interests of Canadian labour. According to figures supplied by Ontario-Hydro, it is estimated that the total number of workmen employed on dry excavation the year round for four years would be 70 in Canada and 1,000 in the United States while the total number of men employed on dredging 200 days a year for four years would be 290 in Canada and 1,000 in the United States. In other words, during the summer months of four consecutive years, 2,000 men would be working on excavations on the U.S. side of the boundary while only 360 men would be similarly engaged in Canada. On the other hand, if the International Section is declared a free zone and approximately two-thirds of the work is done under contracts let by Ontario-Hydro as envisaged under the proposed redistribution scheme, it would seem likely that even though American firms were the lowest bidders and got the Hydro contracts they would almost certainly have to employ Canadian labour since all specifications issued by Ontario-Hydro have a clause stipulating wages to be paid and these wage rates are worked out in consultation with the Labour Unions on the basis of Canadian standards which, at present, are substantially lower than U.S. standards. It is to be expected, however, that during the four years it will take to complete the project, Canadian wage rates will gradually be raised closer to the U.S. rates and, obviously, the narrower the margin between the two levels becomes, the less will be the advantage enjoyed by Canadian labour.

A practical reason which militates in favour of the waiver is that the international boundary crosses through most of the proposed contract blocks of dry and wet excavation and it would therefore be difficult to apply the customs tariff on the equipment and materi-

als used on this work and virtually impossible to abide by normal immigration requirements. No dredge can be expected to respect an intangible boundary line in mid-stream and workmen will have to go back and forth across the border while excavating the channels in the dry.

A final consideration is that, faced with the fait accompli of the waiver issued by the U.S. Commissioner of Customs in favour of Canadian dredges, the Canadian Government may be placed in a rather awkward position if it appears to take a less liberal stand than the United States Administration in this matter.

III. CONCLUSION

The committee of officials which has been studying this problem has considered a number of possible alternative courses of action which could be followed by the government in this matter. The committee discarded as impractical all the alternatives except the three set out hereunder. As the committee of officials was unable to arrive at a unanimous conclusion as to which of the three alternatives it should recommend to the government, it merely wishes to draw attention to the alternatives and point out the advantages and disadvantages of each.

The first alternative would be to refuse to make any special arrangements of any kind and to allow customs and immigration requirements to apply as best they can. If this were done, it does not necessarily follow that Canadian firms would be assured of getting the contracts for the dry and wet excavations on the Canadian side of the boundary, although Canadian labour would almost certainly have to be employed on the Canadian portions of the excavations whether or not Canadian companies actually got the contracts. Furthermore, if the contracts for excavations are to be awarded by Ontario and New York on the basis of the boundary, the total value of the contracts to be let by Ontario on the shareable portions of the overall project would only be \$184 million as opposed to \$218 million by New York. Under this alternative, there would be certain customs problems and almost insuperable immigration difficulties. In addition, in circumstances such as these, the U.S. Commissioner of Customs might withdraw his recent waiver of the prohibition against Canadian dredges with the result that U.S. dredges could operate in Canadian waters, provided they paid the appropriate customs duty and sales tax, while there would be an outright prohibition against any Canadian dredge operating in U.S. waters. The only merit of this course of action would be that the Canadian government could say that it had merely left existing laws to operate as best they could and that practical difficulties which might be encountered by Ontario and New York did not result from any positive governmental action.

The second alternative would be to allow present laws to apply in respect of dry excavations, but to waive all customs and immigration requirements with regard to dredging equipment and crews. Ontario Hydro maintain that it is not practical to award contracts separately for dredging and for dry excavation but presumably it would be possible for several contractors on both sides of the border to bid jointly on the same contract. This course of action would, of course, have most of the disadvantages of alternative one.

A third course of action would be to have a complete waiver of all customs and immigration requirements on all channel excavations, wet and dry, to be undertaken by Ontario and New York in the International Section of the River. Such a complete waiver would remove any protection that U.S. contractors might have in the United States and that Canadian contractors might have in Canada. Canadian contractors have represented that such a complete waiver would make it more difficult for them to get any of the business available in the International Section. Whether or not the work is done by Canadian firms, however,

this course of action would likely ensure employment for a period of four years for many hundreds more Canadian workmen than would be the case if there was no waiver. Incidental advantages would be that the total cost of the project, and hence of the power eventually produced, would be somewhat lower and that the total dollar and manpower content of the project would be divided almost equally between Ontario and New York. Even if the dredging on the Canadian side of the boundary is done entirely by U.S. firms, this might not be too serious for Canadian dredging companies. There are only 8.3 million cubic yards of dredging to be done for power purposes on the Canadian side of the boundary. On the other hand, some 12 million cubic yards of dredging must be done for the Seaway Authority at the Iroquois Canal, in Lake St. Francis, at Beauharnois and in the Lachine Canal section. Canadian dredging companies are assured of getting the contracts for this 12 million cubic yards. Furthermore, a number of Canadian dredges are now engaged on a government contract for the removal of some 9 million cubic yards of material from the ship channel below Montreal. Although this contract is 86 percent completed, it is likely that additional dredging will have to be undertaken in the ship channel in years to come. A complete waiver might not necessarily be too injurious to the interests of the Canadian construction industry either. It will be recalled that a Canadian firm, Mannix-Raymond, obtained the contract for the construction of the cofferdams at the power houses and this firm had to compete with U.S. contractors on a customs free basis. Furthermore, even if the Canadian construction companies were to miss out on much of the dry excavation contracts to be let by Ontario Hydro, it must not be forgotten that these same companies will be assured full customs and immigration protection, for what it is worth, in bidding for the several millions of dollars worth of other contracts to be let by Ontario Hydro which will involve much the same type of operation as the dry excavations, i.e. rehabilitation — \$71.5 million, dykes — \$11.5 million, etc.

The Committee suggests that if any special customs and immigration arrangements are made they should apply only to the excavation to be done exclusively for power purposes and should not apply to the seaway excavations to be undertaken at the Iroquois canal and north and south of Cornwall Island. In the case of the Iroquois canal all excavations, both dry and wet, will be entirely in Canadian territory and therefore no problem should arise. With regard to the dredging to be done north and south of Cornwall Island, it has not yet been determined whether a portion of this work can properly be attributed to power. Furthermore, the excavation north of Cornwall Island is entirely in Canadian territory while the excavation south of the island (which is required to provide a navigable exit from the U.S. canal at Barnhart) lies partly in Canada and partly in the United States. The Committee feels that separate arrangements for the channel excavations north and south of Cornwall Island can be made at a later date after it has been determined whether or not part of the cost of these excavations is to be borne by the power entities.

The Committee finally wishes to point out that our obligations under the General Agreement on Tariffs and Trade are such that, if the government decides to adopt the third alternative, the customs waiver will have to apply multilaterally to all countries and not be restricted to a bilateral arrangement between Canada and the United States. The United States, of course, have similar obligations under G.A.T.T. This, however, does not appear to present serious practical difficulties. As construction materials are not involved, the rather awkward problem that arose in connection with the importation of German steel for the construction of the power house cofferdams will not recur in this case. It is possible, of course, that some earth-moving equipment may be purchased from foreign sources if customs are waived, but this is not likely to happen on a large scale if Ontario Hydro is correct in its assertion that there is now enough equipment of this sort in Canada to do the dry

channelling tentatively allocated to Canada. The likelihood that other than Canadian or U.S. construction companies would be successful in obtaining dry excavation contracts is remote. On the other hand, it is possible that foreign dredging companies (from the Netherlands for example) might underbid both Canadian and U.S. companies for the wet excavation. There are practical considerations, however, which would make it very difficult if not impossible for foreign companies to take the contracts. In the first place, many of the large self-propelled ocean-going dredges used by these foreign companies could not get through the 14-ft locks in the St. Lawrence River. Furthermore, the waiver by the U.S. Commissioner of Customs on the use of dredges in U.S. waters applies only to Canadian dredges and it would therefore not be possible for European dredging companies to accept Hydro contracts since most of these would involve at least some dredging on the U.S. side of the international boundary.

PAUL PELLETIER

427.

DEA/1268-D-40

*L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures*

*Ambassador in United States
to Secretary of State for External Affairs*

TELEGRAM WA-243

Washington, February 10, 1955

CONFIDENTIAL

Reference: Your EX-234 of February 8.

ST. LAWRENCE SEAWAY: PROPOSED EXCHANGE OF LETTERS

May we first offer a few comments on the proposed exchange of letters to record the understandings reached at the meeting here on January 6, and then go on to consider the proposed exchange on lock dimensions?

2. We appreciate that you do not want a link established between the formal commitment (registered in the exchange of notes of the 17 of August, 1954) that Canada would not build now complete 27' navigation works at Cornwall, with the new and less formal statement that Canada does not intend to continue 14' navigation in that reach of the river. However, we must admit that the phrase chosen to avoid that pitfall seemed to us strange. We wonder whether it might not be possible to achieve the same result without introducing into the text words which are likely to prove such a stumbling block to readers as "it has also appeared to us ...". For example, might the new expression of intention not be sufficiently distinguished from the formal undertaking of last August if the last sentence of the second paragraph of your draft were amended to read, "we now gather also that ...". We should be grateful to know if you would be willing to let us suggest such a formula as a compromise when next we meet with Horsey. Even though the present expression of intention does not have the same legal status as the undertaking given last August, we think it would be a mistake to embody it in words which seemed to cast doubt on the firmness of the Canadian Government's present intentions.

3. We will be glad to explain to Horsey on some suitable opportunity why Canada might wish to construct a 27' channel north of Cornwall Island. If our understanding is correct, this might be desirable if in any case some dredging there is required in order to maintain

the same flow through that channel as at present and to provide proper navigation facilities. Before we offer explanations on this point, however, we should be grateful to know whether or not you would wish us to mention to Horsey the possibility that it might also be necessary during the course of the construction now being undertaken to breach the dyke north of Cornwall, since to do so at a later stage might so weaken the dyke as to endanger the city by flooding.

4. We are glad you agree that it would be wise to complete the exchange of letters recording the understandings reached last month before sending a letter to the United States Ambassador in Ottawa concerning lock dimensions. We should also like to suggest that without sacrificing our position in any way, it might be possible to use a rather easier style in such a letter and so minimize the risk of giving offence to Castle. Certainly that risk would have to be incurred if in no other way could we achieve our objective of formalizing in diplomatic correspondence the understanding on lock dimensions. But if we can achieve our purpose and at the same time use a tone adapted to maintain good relations with Castle, we think that the effort would be worthwhile. Our immediately following telegram contains an alternative draft for your consideration.

5. There is one passage in your draft which we think you will agree, however, is best considered separately from the general run of the letter. It is the passage in which you refer to "the *single* locks to be constructed on the United States side of the international rapids section of the St. Lawrence River.". From the Under-Secretary's memorandum of the 24th of January on this subject we have inferred that this adjective has been included in the draft with a view to allaying fears that the United States intends to build twin locks at Barnhart Island when traffic and other conditions warrant. We very much doubt if the expedient you are thinking of adopting would succeed in its purpose. In the first place, if it is not intended to seek agreement with the State Department on the text of the letter before it is despatched (and we have no quarrel with that tactic), the United States Ambassador is almost certain in his reply to take up your reference to single locks and to reserve the United States right to build twin locks, subject only to the obligation to consult contained in the exchange of notes of the 17th of August. In that event, it seems to us that the last state would be worse than the first. Secondly, even if the United States Ambassador were to reply to your proposed letter without referring to your mention of single locks, the United States would be no more bound not to build twin locks at Barnhart Island after the letters had been exchanged than they had been previously. Our view is that if this question is causing real worry in Ottawa, it should be raised explicitly and at a high level with the United States authorities. However, we would hope that the exchange of letters both to record the understandings reached on the 6th of January and to settle finally the lock dimensions would have been completed before you broached the question of twin locks on the United States side of the river.

G. DE T. GLAZEBROOK

428.

DEA/1268-D-40

*L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures*
*Ambassador in United States
to Secretary of State for External Affairs*

TELEGRAM WA-244

Washington, February 10, 1955

CONFIDENTIAL

Reference: Our immediately preceding telegram.

ST. LAWRENCE SEAWAY: PROPOSED EXCHANGE OF LETTERS

Following is our re-draft of the proposed letter to be sent to the United States Ambassador in Ottawa concerning lock dimensions.

Draft begins:

I have been glad to hear that Mr. Lewis Castle, Administrator of the St. Lawrence Seaway Development Corporation, has written informally to a member of the St. Lawrence Seaway Authority in Canada expressing the decision of the Development Corporation to adhere to the original Welland Canal dimensions for the locks to be built on the United States side of the river in the International Rapids Section. The President of the St. Lawrence Seaway Authority of Canada, Hon. Lionel Chevrier, has several times, I know, similarly assured Mr. Castle that the locks to be built in Canadian territory at Lachine, Beauharnois and Iroquois will have these same dimensions. Indeed, so far as the Canadian canals are concerned, those dimensions have been fixed by legislation passed by the Canadian Parliament.

However, I hope you will not consider it an unnecessary formality if I suggest that the intentions of the two governments in this regard should be embodied in diplomatic correspondence. The purpose of my letter, therefore, is to inform you that the locks to be built by the St. Lawrence Seaway Authority of Canada at Lachine, Beauharnois and Iroquois are to be provided for navigation requiring channel depth of 27', with a depth of 30' over the lock sills. The dimensions of the locks to be built at those points will be in accordance with the joint recommendations of the Great Lakes-St. Lawrence basin committee and the United States Advisory Committee, dated the 3rd of January, 1941, and will conform to the dimensions of locks in the Welland Ship Canal, which are generally 800' in length, 80' in width, and 30' in depth over the sills. I should be grateful if you could confirm that the dimensions of the locks to be built on the United States side of the river in the International Rapids Section will also conform to the dimension of the locks of the Welland Ship Canal. Draft ends.¹⁵¹

G. DE T. GLAZEBROOK

¹⁵¹ Une version légèrement modifiée de cette ébauche a été envoyée à Stuart le 4 mars 1955. L'ambassadeur des États-Unis a confirmé la dimension des écluses dans sa réponse du 23 mars 1955. A slightly amended version of this draft was sent to Stuart on March 4, 1955. The United States ambassador confirmed the dimensions of the locks in his response of March 23, 1955.

429.

DEA/1268-D-40

*Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis*

*Secretary of State for External Affairs
to Ambassador in United States*

TELEGRAM EX-274

Ottawa, February 11, 1955

CONFIDENTIAL

Reference: Your WA-243 and WA-244 of February 10, 1955.

ST. LAWRENCE SEAWAY: PROPOSED EXCHANGE OF LETTERS

The suggestion contained in paragraph 2 of your WA-243 seems satisfactory and we agree that you might suggest the compromise wording "we now gather also that ...".

2. You should refrain, however, from mentioning to Horsey at this stage (para. 3 of WA-243) anything regarding the possibility of having to breach the dyke north of Cornwall. We understand that government has no intention, at present, of doing anything of this kind. On the other hand you could usefully, I believe, explain to Horsey why, in the dredging that may have to be done north of Cornwall Island, Canada might wish to have it done in the form of a 27-foot channel.

3. The re-draft, in your WA-244, of the proposed letter to be sent to the United States Ambassador on lock dimensions is excellent in its approach and tone. Our desire for a clarification of the matter of dimensions arises out of Mr. Castle's tergiversations. Nevertheless, it seems preferable to minimize any possible embarrassment to Mr. Castle and we have already referred our first draft to Mr. Chevrier for his suggestions with this point in mind.

4. Officials of this Department are not inclined to insist on the inclusion of the word "single" in the phrase "the single locks to be constructed on the United States side ..." in our draft letter to the United States Ambassador on lock dimensions (para. 5 of WA-243). We should, however, state that if such a word did precipitate, as you predict, a reply in which the United States reserved its right to build twin locks, subject only to the obligation to consult contained in the Exchange of Notes of August 17, 1954, we do not think that that in itself would be necessarily undesirable in the present circumstances. On the contrary, this might serve to confirm our own preliminary view that the twinning of locks by the U.S.A. would require consultation with Canada under the Notes of August 17, 1954. On balance, in the present circumstances, it would possibly be wise to omit the word "single". Ends.

430.

DEA/1268-AD-40

*Note du sous-secrétaire d'État aux Affaires extérieures
pour le secrétaire d'État aux Affaires extérieures*

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

CONFIDENTIAL

[Ottawa], February 16, 1955

VISIT OF ROBERT B. ANDERSON ON FEBRUARY 18

I—*Exchange of Letters*

Clearly, Mr. Anderson will wish to talk to you, Mr. Howe and Mr. Marler about the Exchange of Letters. Mr. Anderson is, I believe, unhappy about the draft letter proposed by us on February 4 (see Annex A).¹⁵² Mr. Anderson now wishes to revert to the principles discussed on January 6 and he will presumably seek your assent to something like the draft he proposed (see Annex B).¹⁵³

2. For use in the U.S.A., the Canadian draft is obviously less effective than the United States proposal. The Canadian draft simply adheres to the August 17, 1954 arrangements, and adds a declaration of Canadian intent regarding 14-foot navigation. The Anderson draft, however, varies the August 17, 1954 Exchange of Notes. The advantage to Canada in the Anderson draft lies in what purports to be an assurance about the non-duplication of locks at Iroquois. From the United States viewpoint, however, the Canadian draft is probably too specific on the subject of non-duplication at Iroquois.

3. If Ministers accept Mr. Anderson's draft, they should do so in the knowledge that it is the sort of arrangement which the United States Administration could regard with equanimity since it imposes on the United States no obligation apart from that of seeking from Congress, at an opportune moment, authority to "defer" the Iroquois works. In return, however,

(a) Canada would undertake not to construct "any new" 14-foot facilities in the Cornwall area;

(b) Canada would undertake not to construct a "27-foot channel or lock accommodations" (whatever these words mean) in that area;

(c) Canada would agree that the Iroquois and Barnhart Island canals and locks would be the "sole" navigation works for an indeterminate period.

4. The United States "arrangement" or "understanding" (Mr. Anderson uses these terms in his draft) would, I suggest, have the following results:

(a) it would vary the existing arrangements and embody the *commitment* for the future NOT to construct 14-foot works to by-pass the powerhouses;

(b) Canada would be barred from constructing a turning-basin for 14-foot navigation in the Cornwall area (as you will remember, Cabinet decided in August, 1954, to build such a turning-basin);

(c) Canada could not require that the dredging which *must* be done at the expense of the United States Seaway Corporation or the power entities in Canada North of Cornwall Island (see attached map) should be done in the form of a 27-foot channel;

¹⁵² Voir/See Document 420.

¹⁵³ Voir/See Document 416.

(d) accordingly, such an arrangement might preclude 27-foot navigation coming to Cornwall and could have other adverse effects for the future (see paragraph 9).

5. It would certainly be useful to have a written United States assurance of non-duplication at Iroquois — even though the assurance were only that the United States would seek to “defer” the works rather than to be “relieved” of the obligation to build a canal and lock opposite Iroquois. The long-term advantage for Canada is that once Canada builds works at Iroquois, it will be cheaper to twin the Canadian lock there than to build opposite Iroquois on United States territory should our American friends decide *later* to twin their locks near Barnhart Island: Canada would thus have a twinned counterpart at Iroquois of the United States twinned locks near Barnhart Island. Such an arrangement would ensure non-discrimination by either as each would be hostage to the other’s fortunes. You might wish to bear in mind, however, that the United States offer to “defer” the works opposite Iroquois probably stems from the fact (as engineers pointed out in November 1954) that — unless the cost were considerably increased — there is insufficient elbow-room on the United States side to build a lock and canal concurrently with the Iroquois Control dam which latter work is now being built by PASNY. In addition, the United States decision *not* to build opposite Iroquois was taken by Mr. Anderson, I believe, sometime early in December 1954.

II—*Channel Excavations near Cornwall Island*

6. It is just possible that Mr. Anderson may wish to discuss the problem of channel excavations North and South of Cornwall Island. This may be the cause of some trouble between Mr. Anderson and Mr. Robert Moses, the Chairman of the Power Authority of the State of New York (PASNY).

7. Briefly, it appears likely — as a result of preliminary model tests at the National Research Council in Ottawa — that the power entities may not need to do much dredging South of Cornwall Island. If this is so and the International St. Lawrence River Joint Board of Engineers (which approves plans on behalf of governments) agree, it will mean that the United States Seaway Corporation will probably have to do considerable dredging south of Cornwall Island if 27-foot vessels are to enter the United States canal near Barnhart Island. In that event, the United States Seaway Corporation will probably have to do compensatory dredging in Canada North of Cornwall Island — also at its expense. The United States Seaway Corporation is seeking to avoid this contingency not only because of the cost (possibly \$10 million) but because it lacks statutory authority and funds to do such works. Likely as not, Mr. Moses, PASNY and Ontario Hydro also wish to avoid picking up this bill!

8. Under the Canada-Ontario Agreement of 1951, Canada had arranged that — as between it and Ontario — Ontario would pay the check but the point does not appear to have been included in the United States arrangements. Would it be Mr. Anderson’s hope that, by using this Agreement, Canada could force Ontario Hydro (and thus PASNY which shares the costs) to do the dredging North and South of Cornwall Island? He might hope that the two sections of the St. Lawrence Board of Engineers (being government agents) could require the power entities to do so in the same way as it might have required them to do if *Canada* had built the seaway in the International Section. (The situation, in that case, would have been different, however, in that Canada agreed — if it was to build the seaway alone — to relieve the United States power entity of half the replacement cost of the Canadian 14-foot canal (about \$7 million) and to contribute \$15 million to navigation costs.)

III—*Agreement with Canada for Channel Excavations*

9. If, however, Mr. Anderson is or becomes resigned to having the channel excavations North and South of Cornwall Island done by the United States Seaway Corporation, the fact that the Corporation dredging in the United States will disturb the flow and level of the water in Canada requires Canada's agreement or the Approval of the International Joint Commission. An agreement with Canada wherein the dredging in Canada (if required) will be done in the form of a 27-foot channel might be preferable to approval by the I.J.C. An agreement of this nature could assure to Canada, in the short-term, that 27-foot navigation could get to Cornwall. In the long-term, such an agreement could mean that if a 27-foot canal and locks were to be built later by Canada near Cornwall, the completion now of a 27-foot channel North of Cornwall would obviate the necessity of obtaining the subsequent agreement of the United States to dig this channel later.

IV—*Dredges and Barges Operating in the International Rapids Section*

10. I learn that the United States authorities — principally in the Defence Department and the Customs Bureau — are disturbed over the use by Messrs. Mannix-Raymond (the contractors for the Barnhart Island cofferdams) of barges in a manner considered by the U.S.A. as "coastwise" trading. This is a small matter which can readily be settled. But bearing in mind that it was at Mr. Moses' urging that the Secretary of Defence declared the Power and Seaway works to be a project essential to U.S.A. defence (and thus there was arranged a general waiver of customs regulations and of the prohibition against foreign dredges operating in the U.S.A.) Mr. Anderson may wish to raise this or related matters with you and Messrs. Howe and Marler. As you know, Cabinet has considered the waiver of customs and immigration requirements for the *power* project and has — for the time being — specifically excluded the *seaway* project from the waiver.

V—*Continuation of 14-foot Navigation*

11. There is a problem as to the manner in which the power entities (in conjunction with the United States Seaway Corporation) will be able — in 1958 or 1959 — to continue uninterrupted 14-foot navigation during the critical period of the change-over from 14-foot to 27-foot navigation and the raising of the power pool. Wheat and iron-ore shipments must not be impeded during the navigation period. To meet this requirement, I hear the engineers muttering about the problems associated with a temporary breach in the dyke to continue 14-foot navigation. If Mr. Anderson did raise this point, it might be left over for future study because the time element does not seem too pressing.

J. L[ÉGER]

431.

PCO/W-10-1

*Rapport du secrétaire adjoint du Cabinet**Report by Assistant Secretary to Cabinet*

CONFIDENTIAL

[Ottawa], February 21, 1955

ST. LAWRENCE SEAWAY; NON-DUPLICATION OF NAVIGATION FACILITIES

The Minister of Trade and Commerce, the Secretary of State for External Affairs and the Minister of Transport met with Mr. Robert Anderson, Deputy Secretary of Defence of the United States at 12:30 p.m. on Friday, February 18th 1955, in Mr. Howe's office in the House of Commons, to discuss further the terms of the proposed exchange of letters between Canada and the United States following earlier conversations in Washington on January 6th with regard to the non-duplication of navigation facilities in the International Section of the St. Lawrence River. The U.S. Ambassador to Canada and the undersigned were also present.

1. *Mr. Howe*, after welcoming Mr. Anderson and Ambassador Stuart, said there was apparently some misunderstanding with regard to plans now being made for the continuation of 14-foot navigation at Cornwall during the period of construction of the power projects. He submitted drawings which had been prepared in this connection and explained that, as 14-ft navigation could obviously not be interrupted during the four or five years it would take to complete the project, some means had to be found to maintain the existing 14-ft canal in operation until such time as shipping could use the new 27-foot canal to be built on the U.S. side of the river. In order to do this, it would be necessary to have a breach in the dyke at or near the point where it would cross the existing canal. There would be concrete works on either side of this breach to retain the earth dykes that would be some 75 feet high at that point. Thus, 14-foot navigation could continue uninterrupted while work proceeded on construction of the dykes, dams, power houses, etc. When the time came to raise the level of the pool, this would be achieved by dropping stop-logs into the concrete works and the 14-foot canal would then of course no longer be accessible from the power pool but only from the lower Cornwall end and, from then on, all through shipping, both 27-foot and 14-foot, would have to use the 27-foot canal south of Barnhart Island.

2. Apparently this had been misinterpreted in some quarters as indicating that Canada was now preparing to continue 14-foot navigation indefinitely at Cornwall. This was not at all the case. As a matter of fact, these plans had nothing whatever to do with the seaway but were part and parcel of the power entities' obligation to ensure that there was no interruption in navigation while the power project was under construction. The entire cost of this temporary 14-foot facility during the period of construction should be borne by Ontario and the New York State Power Authority. It was of course possible that the concrete works might facilitate the construction of a 27-foot waterway at some time in the future when duplication was required, but these works in themselves could certainly not be used for any kind of navigation in their present state after the water levels had been raised in the pool. Furthermore, the location which had tentatively been marked for the 27-foot canal on the Canadian side of the boundary was farther removed from the power houses than the concrete breach would be.

3. *Mr. Anderson* thanked Mr. Howe for his explanation of the situation and said he was perfectly satisfied that the proposed breach in the dyke and temporary continuation of 14-

foot navigation at Cornwall was not only entirely reasonable but necessary. He thought, however, it would be in everyone's interest if it could be made perfectly clear that this was being done as part of the power project to ensure continuation of 14-foot navigation only during the several years it would take to complete the project and that it had nothing whatever to do with the seaway.

4. Many of the difficulties and misunderstandings that had arisen in the United States were due to the existence there of two or three groups with conflicting interests. Daniellian and his organization were busily engaged in making statements of one kind and another at every opportunity. On the other hand, it was not unlikely that when the U.S. Administration asked Congress to release the U.S. St. Lawrence Seaway Development Corporation of its obligation to construct a 27-foot canal and lock at Point Rockway, the railway interests would take that opportunity to suggest that, since Canada was building the canal at Iroquois, it would be best to let Canada build at Barnhart as well. There had also been a lot of discussion about increasing the dimensions of the locks in the new canals. He gave unequivocal assurance that, insofar as the U.S. Administration was concerned, the Welland ship canal specifications and none other would be used in the Barnhart Island locks.

5. *Mr. Howe* noted in this connection that the suggestion had been made from time to time that instead of spending money on the waterway in the International Section of the St. Lawrence, the Canadian Government should devote these funds to providing larger locks at Welland. The authors of these suggestions apparently failed to realize that the Welland ship canal had cost close to \$150 million and that, at today's costs, similar facilities could not be duplicated for twice that amount of money. As a matter of fact, the present development in the St. Lawrence was a relatively modest undertaking compared to Welland.

6. *The Secretary of State for External Affairs* referred to the American draft letter of January 14, 1955, which was designed to embody the understandings arising out of the conversations at Washington on January 6 between the Minister of Trade and Commerce, the Canadian Ambassador and himself on the one hand, and Mr. Wilson, Mr. Anderson and Ambassador Stuart on the other. This draft could not be accepted by Canada for a variety of reasons. Under the terms of the second paragraph, for example, which stated amongst other things that the Canadian Government did not intend at this time to construct any new 14-foot canal facilities, it would not be possible for Canada to construct the turning basin which would be necessary to enable shipping to service the many industries located along the Cornwall canal below the point where the power pool dyke would eventually block off the canal. This same paragraph also stated that the Canadian Government did not at this time intend to construct a 27-foot channel or lock accommodations in the vicinity of Cornwall or Barnhart Island. This would effectively preclude the Canadian authorities from dredging a 27-foot channel in the bed of the river north of Cornwall Island even though this channel may be required in order to re-establish the flows and velocities which will be disturbed by the 27-foot dredging to be done by the U.S. Seaway Corporation south of Cornwall Island, which latter dredging will be required to provide a navigable exit from the 27-foot Barnhart canal to be constructed by the Corporation. Furthermore, the U.S. draft of January 14 seemed to go considerably beyond the terms of the Notes exchanged last August.

7. In view of the above, a Canadian counter-draft dated February 3 had been prepared. This counter-draft attempted to overcome all these practical difficulties while at the same time embodying the understandings reached at Washington on January 6 and remaining as close as possible to the terms of the Exchange of Notes of August 1954.

8. *Mr. Anderson* said he fully appreciated the practical difficulties which the second paragraph of the U.S. draft of January 14 presented; but he thought that these could be overcome quite readily. It might be preferable, throughout the letter, to refer to “canals” and to avoid any reference to “channels”. Furthermore, it should be made quite clear that what Canada did not intend to do at this time was to construct navigation works which effectively by-passed the power dams at Cornwall.

9. In his view, the letter should contain three essential features. These were,

(a) that the U.S. Administration did not intend at this time to construct navigation facilities at Iroquois and would seek the required congressional authority to be relieved of the obligation imposed on the U.S. Seaway Corporation by the Wiley Act;

(b) that Canada did not intend at this time to construct any 27-foot or 14-foot *through* navigation facilities at Cornwall; and

(c) that if either country in the future wished to duplicate in its territory navigation facilities already existing in the other's territory, that Government would first consult with the other government in the context of the Notes exchanged in August 1954.

10. *Mr. Anderson* then submitted a third draft† which he had prepared in the light of the Canadian counter-draft of February 3.

11. During the lengthy discussion that ensued, several modifications were made to this draft. Finally, a mutually satisfactory letter was drafted (see Appendix A)† and it was agreed that it would be delivered to the Secretary of State for External Affairs by the U.S. Ambassador some time early the following week. It was also understood that the Canadian reply would likely be nothing more than a brief acknowledgement and confirmation that the U.S. letter represented the views verbally expressed at the Washington meetings.¹⁵⁴

12. *Mr. Anderson* said that the U.S. Administration was faced with a fairly difficult political problem in connection with this matter. In view of the fact that Congress would have to be approached in order to have the U.S. Seaway Corporation relieved of its statutory obligation to build at Iroquois, it was important that the proposed letter should clearly indicate that the Canadian Government did not at this time intend to provide *through* navigation of any kind at Cornwall.

13. *Mr. Pearson* replied that the Canadian Government was also faced with its own political problem. Throughout the past few years, there had developed a considerable amount of popular support for the so-called all-Canadian seaway. In the circumstances, it was not unlikely that the Canadian Government might see fit to interpret publicly the expression “under present conditions” in the second paragraph of the letter as meaning all those things clearly set out in the press release issued following the exchange of Notes of August 1954, and indeed might also include the inability of the Administration in Washington to secure from Congress release from the obligation to build the canal at Iroquois. It might be necessary to repeat publicly that the new letter would not in any way limit the right of the Canadian Government to build a 27-foot canal at Cornwall, if changed conditions — which might go beyond traffic conditions — warranted it.

¹⁵⁴ L'échange de correspondance est reproduit dans United States, Department of State, *Bulletin*, Volume XXXII, No. 820, March 14, 1955, p. 437.

The exchange is reproduced in United States, Department of State, *Bulletin*, Volume XXXII, No. 820, March 14, 1955, p. 437.

14. *Mr. Anderson* said he understood this perfectly and that, in fact, he had such an eventuality very much in mind when he had inserted the expression "under present conditions" in his latest draft.

PAUL PELLETIER

432.

DEA/1268-D-40

*Note du sous-secrétaire d'État aux Affaires extérieures
pour le secrétaire d'État aux Affaires extérieures*

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

CONFIDENTIAL

[Ottawa], March 29, 1955

DELAY IN COMPLETING THE ST. LAWRENCE POWER PROJECT

Officials of the Department are coming to the conclusion that the St. Lawrence Project may not be completed in late 1958 as has hitherto been supposed. The delay may be caused by the fact that the channel excavations for power purposes will not get under way as promptly as they should have during the construction season of 1955.

2. There is between \$80 or \$90 million worth of channel excavations at the head of the power project. It will take at least three full construction seasons to get this large block of work done. One block of excavations will take almost two construction seasons and should be begun by May 1, 1955 at the latest. This is required in order to allow further excavations to be done thereafter in such a way as to not affect the levels of Lake Ontario or the project downstream.

3. While the power entities have been generally agreed as to how they wanted to carry out these excavations, they have not been able to get the necessary clearances in the United States. As officials understand it, U.S. policy as regards dredging waivers for both the *seaway* and *power* projects is to be formulated by the Deputy Secretary of Defence on recommendation of the Administrator of the *U.S. Seaway Corporation*, Mr. Lewis G. Castle.

4. Canadian officials became aware of the importance to Ontario Hydro of a speedy decision on this matter at the turn of the year. Cabinet took a decision on February 8, 1955 to the effect that customs and immigration regulations would be waived to the extent necessary *provided* (a) these should not apply to consumables used on the project; (b) United States granted reciprocity; (c) Canadian wage rates apply to contracts let by Ontario Hydro.

5. The boundary dictates that 1/3 of the channel excavations for power purposes lie in Canada and the other 2/3 lie in the United States. In order to restore an equitable division between the *total* of the work and manhours to be done under the supervision of either power entity, both entities agreed that the proportion should be reversed, i.e. that Ontario Hydro should do 2/3 of the channel excavations regardless of the location of the boundary.

6. Rather than ask United States federal officials to give an assurance which might be embarrassing to them, we asked Ontario Hydro by February 15 to obtain the necessary assurances from their New York counterpart that there would be nothing in U.S. federal or state law which would oppose itself to Canadian wage rates applying to contracts let by Ontario Hydro. After much delay, we were informed that such an assurance could not be given by the New York Hydro authorities unless, in effect, the matter were cleared with Mr. Castle. At a meeting held in New York on March 21 between the two power entities

and a representative of Mr. Castle (which was attended by Messrs. Paul Pelletier and E.A. Côté), it became apparent that our American friends had a formidable list of difficulties in the way of facilitating the power entities' project.

7. For its part, time has been running against the completion of the whole Project. No calls for tenders have been made so far for the channel excavations and it is therefore unlikely that any excavation work will get under way before June 1 or later.

8. Canadian officials have taken the line so far that they are merely trying to facilitate the *power entities'* plans. Officials of this Department are confident that, as a result of the meeting on March 21, U.S. officials will try to examine their problems as speedily as possible in order to find a solution.

9. It is clear, however, that the U.S. dredging owners and unions are determined to get the maximum work for their dredges. As it is, about \$41 million worth of dredging lies on the U.S. side of the boundary. If they do not get this work, they could effectively tie up the power project and hence the seaway project.

10. We are therefore on the horns of a dilemma. If the Canadian federal authorities try to advance the interests of the power entities (which happen to coincide with Canadian interests) too quickly, we may be placing the U.S. federal authorities in an untenable position and they may incur the determined opposition of the U.S. dredging interests and thereby slow down the completion of the project. On the other hand, if the federal authorities do nothing, the excavation works may be delayed anyway, due either to the ordinary course of events or to a deliberate procrastination on the U.S. side with the object of causing the ripe plum to fall into the hands of the U.S. dredging interests which, with their larger dredges, would be the only ones later able to do the job.

11. I would be inclined to let matters take their course.¹⁵⁵ The main interested parties are the power entities who will seek a solution best calculated to serve the interests of both countries. If the Americans are adamant and do not agree to allow Ontario Hydro to do 2/3 of the excavations on the U.S. side, we may have to reserve dredging on our side of the boundary to Canadians.

12. I am attaching an additional copy of this memorandum in case you should wish to send it to Mr. Marler, Chairman of the Cabinet Committee on St. Lawrence matters.¹⁵⁶

J. L[ÉGER]

¹⁵⁵ Note marginale :/Marginal note:
at least for the time being [L.B. Pearson]

¹⁵⁶ Note marginale :/Marginal note:
Please do this [L.B. Pearson]

433.

PCO

*Note du secrétaire du Cabinet
pour le Cabinet*
*Memorandum from Secretary to Cabinet
to Cabinet*

CABINET DOCUMENT NO. 91-55

Ottawa, May 4, 1955

CONFIDENTIAL

ST. LAWRENCE POWER PROJECT; SPECIAL CUSTOMS AND
IMMIGRATION ARRANGEMENTS

1. At a meeting held on July 13th, 1954, Cabinet approved in principle a recommendation of a special interdepartmental committee of officials that those portions or components of the St. Lawrence Power project which actually straddle the Canada-U.S. boundary be considered as "international" works and that duties and taxes and normal immigration requirements be waived with regard to these "international" works, while no concessions of any kind should be made with regard to "national" works — i.e. works such as dykes, re-location of highways, etc. which did not touch the boundary and were situated entirely within the boundaries of one country or the other.¹⁵⁷

2. At the same meeting, Cabinet specifically agreed that the cofferdams to be built by Ontario-Hydro and the New York State Power Authority be considered as "international" works and that all duties and taxes and immigration requirements be waived in respect thereof. Concurrently, similar treatment was accorded to the cofferdams by the U.S. Administration.

3. In addition to the cofferdams, there are only two other classes of works in the St. Lawrence Power project which can appropriately be considered as "international". These are the channel enlargements (both wet and dry excavations) which must be undertaken by the power entities and the Control Dam to be constructed between Iroquois Point in Canada and Point Rockway in the United States.

I. Channel Enlargements

4. On February 9th, 1955, Cabinet agreed to extend to the channel enlargements the same customs and immigration treatment previously accorded the cofferdams provided,

(a) that the U.S. Administration entered into a reciprocal arrangement with regard to the channel enlargements on the U.S. side of the boundary;

(b) that Canadian customs duties and excise taxes were not waived with regard to consumable materials such as gasoline, oil, food, etc.; and

(c) that satisfactory assurances were received that nothing in U.S. federal or state law would prevent Ontario-Hydro from requiring that Canadian wage rates shall apply to the labour employed on its excavation contracts even though some of these excavations might be in U.S. territory.

5. It will be recalled that, in order to achieve a division of the overall project between Ontario-Hydro and the New York State Power Authority on a fifty-fifty basis both from the point of view of man-hours and of cost, the two entities had agreed that, although one-third

¹⁵⁷ Voir/See Volume 20, Document 570.

only of the channel enlargements was situated on the Canadian side of the boundary, Ontario-Hydro should be responsible for letting contracts for roughly two-thirds of these excavations. It was further understood that bidding on these channel excavation contracts, whether let by Ontario or by New York, were to be open to Canadians and Americans alike.

6. The powerful dredging interests in the United States were opposed to this arrangement since it would result in giving Ontario-Hydro responsibility for letting contracts for the larger share of the wet excavations even though the bulk of these wet excavations lay on the U.S. side of the boundary. It now appears that it will not be possible to get a reciprocal arrangement with the United States on the basis of the Cabinet decision of February 9th, 1955, unless the two power entities can divide the wet excavations roughly on a fifty-fifty basis.

7. In the light of these developments, Ontario and New York have reconsidered the dredging problem and have ascertained that it is possible, from an engineering point of view, to achieve an almost equal division of responsibility for the wet excavations. Furthermore, in order to overcome a number of practical difficulties, the power entities have now agreed that bidding on dredging contracts to be let by Ontario-Hydro will be restricted to Canadian firms and that bidding on dredging contracts to be let by New York will be restricted to U.S. firms even though portions of the dredging to be undertaken by Ontario-Hydro will lie in U.S. territory while portions of the dredging to be done by New York will be in Canadian territory. Bidding on dry excavations will continue to be open to contractors from both countries.

8. On the basis of this most recent re-allocation, it is estimated that Ontario-Hydro would be responsible for letting contracts on the overall project totalling some \$175.8 million while New York would let contracts to a total value of approximately \$183.6 million.

9. The committee of officials is satisfied that this is probably the best arrangement that can be hoped for in the circumstances and therefore recommends that the Cabinet reaffirm its decision of February 9th on the basis of the new re-allocation provided, of course, that the three conditions referred to in paragraph 4 above are met.

II. *Iroquois Control Dam*

10. The third and last work in the St. Lawrence Power project which can be considered to be "international" is the Control Dam to be constructed between Iroquois Point in Canada and Point Rockway in the United States.

11. Quite some time ago, the U.S. Customs Bureau declared that the Iroquois Dam was regarded by the United States as an international structure and that, accordingly, all customs and immigration requirements would be waived in respect thereof.

12. This dam will straddle the boundary with approximately 9/10ths of its length being located in the United States. Only two, or at the most three of the dam's thirty-two steel gates will be on the Canadian side of the boundary. The following table shows the estimated cost of materials and equipment to be incorporated or installed on either side of the boundary:

<u>Item</u>	<u>Canadian Cost</u>	<u>United States Cost</u>
Concrete	\$1,601,000	\$ 5,302,000
Grouting	16,000	87,000
Structure Steel including Rails	222,000	1,404,000
Steel Gates and Guides	438,000	4,234,000
Gantry Cranes	275,000	275,000
Electrical Equipment	30,000	120,000
	<u>\$2,582,000</u>	<u>\$11,422,000</u>

13. A contract has already been awarded to a U.S. firm for the two mobile Gantry cranes (Dominion Bridge of Canada was the second lowest bidder). There is some urgency in reaching a decision as to the customs and immigration treatment to be given to the small portion of the dam which will be located in Canada since specifications are in the course of preparation and tenders will soon be called for the four main contracts not yet awarded — i.e., (a) concrete and grouting; (b) structural steel including rails; (c) steel gates and guides; and (d) electrical equipment. The whole dam is to be constructed under contracts let by the New York State Power Authority and will be built entirely from the U.S. mainland.

14. Briefly set out hereunder are the more important factors to be taken into consideration with respect to the above:

(a) Cabinet has already approved the principle of waiving customs duties and immigration requirements in respect of international works, in which group the Control Dam clearly belongs.

(b) Some special immigration arrangement must necessarily be made if this Dam is to be built and the Canadian Government might be placed in an embarrassing position if it maintained the tariff on the very small portion of the dam located in Canada while the U.S. Administration has already waived customs on the 9/10ths of the structure located in the United States.

(c) It is unlikely that any Canadian contractor or group of Canadian contractors will be in a position to bid on the main contract for the concrete works.

(d) The cement to be used in both the Canadian and U.S. portions of the dam will be manufactured, and the concrete prepared, from rock and other materials on or near the site of the dam on the U.S. side of the boundary.

(e) Removal of customs should be to the advantage of Canadian suppliers since it is thought that they can compete with U.S. suppliers for the structural steel and steel gates and guides valued at \$6.2 million.

(f) Removal of the tariff on steel items will increase the competitive position of European firms. However, the U.S. Bureau of Customs has already removed the tariff on steel valued at \$5.6 million in the American portion of the dam while only \$660,000 worth of steel will be incorporated in the Canadian portion.

(g) The waiving of duty and taxes on the Control Dam would conform with the long established Canadian and U.S. practice of granting such waivers in respect of international bridges.

15. In the light of the foregoing, the Interdepartmental Committee felt it would be reasonable to extend the customs and immigration waiver to the Control Dam on the same basis as has already been done for the cofferdams.¹⁵⁸

¹⁵⁸ Approuvé par le Cabinet le 6 mai 1955./Approved by Cabinet on May 6, 1955.

16. No further "international" problems can be foreseen at this moment with regard to the power project. The Interdepartmental Committee wishes to point out, however, that a somewhat similar situation may arise with regard to the channel excavations to be carried out for seaway purposes north and south of Cornwall Island; but this matter has not progressed sufficiently to enable firm recommendations to be submitted at this time.

R.B. BRYCE

434.

DEA/1268-AD-40

*Note du sous-secrétaire d'État aux Affaires extérieures
pour le secrétaire d'État aux Affaires extérieures*

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

RESTRICTED

[Ottawa], July 7, 1955

CHANNEL EXCAVATIONS NORTH AND SOUTH OF CORNWALL ISLAND

At the request of the State Department, a meeting was held in Ottawa on June 17 between representatives of the State Department, the United States Embassy, the Department of External Affairs and the Seaway entities of Canada and the United States.

2. It became apparent during this meeting that the U.S. Seaway Corporation was seeking the permission of the Canadian authorities for dredging in the channel south of Cornwall Island, as required for the U.S. 27-foot channel. The Canadian side pointed out that any excavations in the channel south of Cornwall Island would disturb the level and flow in the channel north of Cornwall Island and would therefore, under the Boundary Waters Treaty of 1909,¹⁵⁹ require either a special agreement with Canada or the approval of the International Joint Commission; furthermore, restoration of the level and flow in the north channel would require compensatory works to be constructed there by the U.S. Seaway Corporation. Mr. Castle was informed that some Canadian officials considered that, as a condition for granting its assent to United States excavations in the south channel, the Canadian Government might well require that the compensatory works north of Cornwall Island take the form of a 27-foot navigation channel.

3. The reasoning behind this is as follows: If the Canadian Government ever desired in the future to complete 27-foot works by constructing a 27-foot channel north of Cornwall Island, it would require, under the Boundary Waters Treaty, a special agreement with the United States or the approval of the International Joint Commission. For reasons which will be obvious to you, it may prove very difficult in the future to obtain United States concurrence for the construction by Canada of a competing 27-foot facility. For this reason, some Canadian officials desire that, as a condition to granting Canadian consent to the U.S. 27-foot channel south of Cornwall Island, we reciprocally obtain United States assent to the construction now of a 27-foot channel north of Cornwall Island. An alternative of course would be to obtain now the agreement of the United States that Canada would be allowed in future to do excavations in the north channel provided that Canada carried out, at its expense, the compensating channel excavations that would in turn be required in the south channel. However, these Canadian officials considered that the only binding promise

¹⁵⁹ Voir/See Canada, *Treaties and Agreements affecting Canada in force between His Majesty and the United States of America with Subsidiary Documents, 1814-1925*, Ottawa: King's Printer, 1927, pp. 312-318.

from the United States that would be valid 25 years hence would be a treaty ratified by the United States Senate. As it is unlikely that such a treaty could be obtained quickly, if at all, it was considered by these officials that, as and when the matter came up for consideration, the responsible Canadian officials and the Canadian Government would most likely require that the compensating excavations that must be done now in the north channel should take the form of a navigation channel which could be used as a 27-foot deep waterway in future years.¹⁶⁰

4. I am reporting this matter to you now in the event that you might consider that officials should not continue to pursue this particular line of reasoning.

J. L[ÉGER]

435.

DEA/1268-AD-40

Note de la Direction de l'Amérique
Memorandum by American Division

CONFIDENTIAL

[Ottawa], July 19, 1955

VISIT BY MR. MAYER RE CORNWALL ISLAND NORTH CHANNEL,
TEST BORINGS, ETC.

Mr. Mayer, Counsellor at the U.S. Embassy, accompanied by Mr. Dubs, Second Secretary, came in to see me this morning regarding our letter of July 12, 1955† in which was conveyed the Canadian Government's waiver of customs duties and excise taxes on equipment to be used in a test boring program in the north channel at Cornwall Island and on Cornwall Island itself. In our letter of July 12, we had informed the U.S. Embassy that Cabinet had sanctioned these waivers on the understanding

(a) that the results of the boring program would be made available to Canadian Government agencies, and

(b) "that the granting of these waivers is without prejudice to the agreement which must be entered into by our two Governments before any channeling not required for power purposes is undertaken north and south of Cornwall Island".

2. Mr. Mayer began by expressing his regret that the U.S. Army Corps of Engineers had made a direct request to our Department of National Revenue in this regard and he promised that henceforth such transactions would be carried on through the appropriate channels. He added that the U.S. authorities would, of course, be glad to make available to Canadian Government agencies the data derived from these tests. However, he then stated that Mr. Castle had expressed very great concern over the wording of our condition (b), quoted above. Mr. Castle thought that this might cause him grave embarrassment and, according to Mr. Mayer, he abhorred the word "agreement" and, incidentally, was concerned about the word "must".

3. Mr. Mayer then went on to say that Mr. Castle, frankly, was hopeful that the model studies would dictate that a 27-foot channel be required as compensatory works north of Cornwall Island so as to "let him off the hook" and forestall the political embarrassment that he would otherwise be caused. According to Mr. Mayer, Mr. Castle was hopeful that

¹⁶⁰ Note marginale :/Marginal Note:
I agree L.B. P[earson]

the construction of a 27-foot channel by Canada would not require a written agreement and that an understanding (of whatever kind) could be reached with Canada in this regard.

4. I replied that I thought that Mr. Castle was, possibly, unduly apprehensive about the wording of para (b). I pointed out that para (b) was general in its terms and presumably embraced all of the many facets of the Cornwall Island question; it did not specifically mention a 27-foot channel. I added that, in any event, our use of the word "agreement" did not constitute any attempt to prejudge the form of document which would result from subsequent discussions between the two governments.

5. I then went on to state that there were a large number of things to be settled between the two governments with respect to the north and south channels, e.g., if the United States wished to place its excavation disposal on Canadian territory, it would require agreement; if the United States wished to dredge in Canadian waters in the *south* channel (through which the International Boundary runs) this would also require agreement; agreement was also required with respect to re-locating the Cornwall Island south bridge, etc., etc. Therefore, in view of the many facets of this question, it was surely understandable that some agreement *must* be reached between the two governments, and this was surely inevitable regardless of the results of the model studies, the amount of excavation (if any) for which the United States Seaway Corporation would be responsible in the north channel, the form which such excavation would take, etc. In any event, I stated, it was our intention in the letter of July 12 to ensure that any granting of waivers with respect to test boring in the Cornwall Island area would be made without prejudice to the subsequent negotiations that would surely have to be undertaken and agreements that would inevitably have to be reached regarding the many-sided Cornwall Island question. I added that it was not our intention to secure any commitments from the United States with respect to a Canadian 27-foot north channel via this letter on test boring; we had explained our position to Mr. Castle at the last meeting and our position was presumably fully recognized.

6. Mr. Mayer then wondered what manner of reply could be made to our letter that would not prove subsequently embarrassing to Mr. Castle, regardless of how unjustifiably sensitive he might be about para (b). I said that, speaking personally, I wondered whether it would not be appropriate for the Embassy, in its reply, to accept condition (a) and to use a form of words, with respect to condition (b), along the following lines:

"... is without prejudice to any *arrangements* which *may have* to be concluded by our two governments before any channeling not required for power purposes is undertaken in the *Cornwall Island area*."

7. Mr. Mayer seemed very pleased with this suggestion but I cautioned him that this was my off-hand personal thought only and that I would want to consider it further and possibly consult with my colleagues. He added that, if the Embassy were to reply to us in such language, it would in effect constitute an *interpretation* of our para (b). I agreed that this was so and he then suggested that, if such a form of wording were agreeable to us, the U.S. letter might read: "with respect to paragraph (b), it is our interpretation that the granting of these waivers is without prejudice to any arrangements which may have to be concluded...".

8. I discussed this question with Mr. Wershof later in the day. Mr. Wershof agreed that there was some justification for Mr. Castle's apprehension and that the wording of para (b) might be considered by the United States to be an attempt to prejudge the 27-foot north channel question in a context far removed. Mr. Wershof thought that the reply I suggested would be agreeable and also suggested alternative language such as "without prejudice to the views of the Canadian Government on the necessity for an agreement...". I suggested

that, before I confirm this to Mr. Mayer, I would attempt to contact Messrs. Rogers and Côté by telephone tonight (Mr. Pelletier is in the country and uncontactable by telephone; Mr. Cunningham is also away until Thursday).

9. Mr. Wershof added that he felt quite strongly on this question, i.e., that our Government had long ago reached fundamental decisions regarding the St. Lawrence Seaway and that officials should not attempt to throw road blocks at every little point along the line. I subsequently ascertained from the file that the language in our letter of July 12 was taken over directly from a letter of July 8† to Mr. Léger from Paul Pelletier.

S.A. FREIFELD

P.S.: As an alternative Mr. Wershof was also amenable to our sending a supplementary letter to the U.S. Embassy giving an interpretation of our para (b) in the language contained in my suggested reply by the United States given above.¹⁶¹

436.

PCO

*Note du chef du Comité du Cabinet
sur le projet voie maritime du Saint-Laurent
pour le Cabinet*

*Memorandum from Chairman, Cabinet Committee
on St. Lawrence Project,
to Cabinet*

CABINET DOCUMENT NO. 193-55

Ottawa, September 20, 1955

CONFIDENTIAL

ST. LAWRENCE SEAWAY; RELOCATION OF ROOSEVELT BRIDGE

The south span of the Roosevelt Bridge, which connects the south shore of Cornwall Island, Canada, with the U.S. south shore of the St. Lawrence River, must be removed and a new bridge built east-west across Polly's Gut between the west end of Cornwall Island and the U.S. shore, in order that ships may be able to use the new 27 foot deep waterway now under construction. The railway line and roadway on Cornwall Island between the north and south spans of the bridge must of course also be relocated. (See plan hereto attached).†

PARTIES INVOLVED

1. *New York Central Railroad Company*—through its subsidiary, the Ottawa and New York Railway Company, owns both the north and south spans of the Roosevelt Bridge and the portion of the railway on Cornwall Island. The Ottawa, Ontario-Roosevelt, New York line of the NYC crosses the St. Lawrence over these bridges.

2. *Cornwall International Bridge Company Limited*—has an agreement which terminates at the end of 1983 with the NYC giving the Bridge Company the right to maintain roadway facilities on both bridge spans and to collect tolls from highway traffic using the bridges. The Bridge Company also has with the Indians on Cornwall Island, which is entirely an

¹⁶¹ Dans une lettre datée du 28 juillet 1955, les États-Unis ont accepté les conditions énoncées dans la lettre du Ministère en date du 12 juillet, selon les modalités discutées au paragraphe 7.

In a letter dated July 28, 1955, the United States accepted the conditions outlined in the Department's letter of July 12 in the terms discussed in paragraph 7.

Indian Reserve, an agreement terminating at the end of 1957 regarding the right of the Bridge Company to build and maintain a roadway between the two bridge spans for highway traffic crossing between Canada and the United States. The Bridge Company also built and maintains the Canadian customs house on Cornwall Island, and pays the NYC a percentage of the \$1.25 per automobile (some 200,000-250,000 automobiles a year) that is collected at the tollgate at the north end of the north span at Cornwall.

3. *Indians on Cornwall Island*—Indian lands were taken by the railway company for the railway right-of-way shortly before 1900. The Indians leased the original bridge Company a right of way for a road between the two bridge spans for a term of 25 years from 1932. It was agreed that the Indians, missionaries and Indian Affairs officials could use the road and bridges free of charge provided vehicles were not used for gain. The Indians have complained about the manner in which the free passage concession is applied. The Indians also have in mind demanding a fixed percentage of toll revenues. The total consideration of the Bridge Company-Indian 25 year lease was \$798.46, which appears rather modest in comparison to toll revenues. The lease must be renewed before the end of 1957.

The principal Indian problem arises from the fact that Canadian Indians of the St. Regis Reserve on the south shore of the St. Lawrence east of Cornwall and entirely surrounded by U.S. territory, at present have to travel 9 miles to reach Cornwall, their centre for churches, hospitals, schools, supplies, etc.; but with the proposed relocation of the bridge and the re-routing of the highway in the U.S. westward to cross the new Long Sault Canal at the Robinson Bay Lock by means of a tunnel, the distance to Cornwall would be lengthened to 20.6 miles. Strong representations have been made to the Canadian Government by the Indians themselves, church authorities and others regarding the provision of a shorter route to Cornwall.

The U.S. Seaway Development Corporation is well aware of this situation and its Administrator, Lewis Castle, has offered to plank the proposed railway bridge at the Grass River Lock, which is closer to Cornwall than the Robinson Bay Lock, and to build a new roadway roughly north-south to connect with the new Polly's Gut Bridge. This would shorten the distance between St. Regis and Cornwall to 13 miles. Mr. Castle has also mentioned providing the Indians with a bus to run between Cornwall and the Reserve, at the expense of the Seaway Corporation. However, although the Grass River Lock Bridge would be continuously open to traffic during the winter season, it would be closed to traffic during a large part of each day during the rest of the year to allow ships to pass in the Canal. It has been suggested to Mr. Castle that the Seaway Development Corporation should provide twin road bridge facilities similar to the arrangement for the Victoria Bridge at Montreal so that when one bridge swings to allow ships to pass, highway traffic is temporarily diverted to the other. Mr. Castle has said that the Seaway Corporation operates on a very tight budget and that even to plank the Grass River Lock Bridge and provide road facilities is a strain on the Corporation's resources.

4. *The U.S. Saint Lawrence Seaway Development Corporation*—the U.S. counterpart of the Canadian St. Lawrence Seaway Authority, is charged with the removal and relocation of the south span of the Roosevelt Bridge in order that ships may use the new U.S. 27 foot channel. The low level south span is close to the eastern end of the new Long Sault Canal. Under ordinary circumstances this work would be a routine rehabilitation project which the Corporation would carry out and finance out of Seaway tolls.

5. *Government of Canada*—is indirectly concerned because of the Indian problem and the possible need to demolish the existing north span of the Roosevelt Bridge if and when 27 foot navigation is provided on the Canadian side at Cornwall.

Directly, the Government is involved because of a recent opinion of the Deputy Minister of Justice that no entity may build the new bridge at Polly's Gut without legislation of the Parliament of Canada.

6. *St. Lawrence Seaway Authority*—may become involved in the event that the Government decides that a Canadian entity should participate in the relocation because such action might lead to a U.S. commitment for better facilities for the Indians at the Grass River Lock, and because of the inevitable pressure and need for a modern high level highway north channel bridge, particularly if Canadian 27 foot navigation is provided. The present bridge is 17 feet wide and only one-way traffic is possible. The Seaway Authority could participate upon being so authorized by Parliament and could charge the costs to Seaway tolls.

COST OF RELOCATION OF SOUTH SPAN

The NYC has estimated that the new bridge alone would cost some \$1.5 million but probably had in mind primarily a narrow railway bridge like the present one. The Seaway Corporation proposes to build a bridge that will provide for two twelve foot traffic lanes and a separate allowance for the railroad, and estimates the costs as follows:

Bridge	\$4,056,000
Cornwall Island track and embankment	162,000
Rail communications and signals	5,000
Removal present rails and grading old fill	116,000
Highway and highway embankment	155,000

Cost of land on Cornwall Island, right of way, and customs facilities have not been estimated.

Taxes—a most important item is the size of the property taxes that may be levied by the Township of Cornwall on the improved bridge. The NYC submitted that the increase would be some \$25,000 a year based on its \$1.5 million estimate for the bridge. If the Seaway Development Corporation figure is correct the increase might be substantially greater.

COURSES OF ACTION

There are four courses of action that can be followed in this matter. They are briefly outlined hereunder.

1. The relocation of the south span of the Roosevelt Bridge is primarily a rehabilitation work. The U.S. Seaway Development Corporation might therefore be expected to do all the work and bear all the costs without disturbing in any way (except for location) existing titles, leases, contracts, etc. This is the most straightforward approach to the problem; but the U.S. St. Lawrence Seaway Development Corporation is not disposed to follow it for a number of reasons. One of these is that the New York Central can claim compensation for interruption of traffic, lengthening of the route, etc. New York Central, however, is prepared to waive these claims provided the U.S. St. Lawrence Seaway Development Corporation will not only construct but retain title to the relocated bridges and thus relieve the railway of the necessity of meeting increased taxation on the considerably improved relocated facilities. Furthermore, the U.S. Seaway Corporation is naturally anxious to remain on good terms with the New York Central because of the U.S. railways' anti-seaway lobby.

2. A second alternative would be that the U.S. Seaway Corporation not only build the new facilities but also retain title to them. Such an arrangement would be very agreeable to the New York Central. It would, however, mean that an agency of the U.S. Government would own in perpetuity certain facilities in Canada.

3. In third course of action would be to follow alternative two above subject to a reversionary clause under which the Canadian half of the new Polly's Gut Bridge and the relocated facilities on Cornwall Island would revert to Canada upon the amortization of the costs thereof or upon the expiration of a certain period of time whichever was the shorter. This would not be unlike arrangements under which several international bridges have been built in the past.

4. A fourth and final alternative would be to have the Canadian Seaway Authority pay for and construct the Canadian portion of the works. If this plan is adopted, it could be determined later whether the capital costs should be charged to seaway tolls or whether all or a part thereof should be amortized out of bridge tolls.

CONCLUSION

At first glance, alternative three above appears to be the most attractive from the Canadian point of view. It is not at all certain, however, that the U.S. authorities will be prepared to conclude an arrangement on this basis. Furthermore, the interests of the St. Regis Indian Band and of any future 27-foot canal on the Canadian side of the boundary would be better served if the Canadian Seaway Authority participated now in the construction of the new bridge over Polly's Gut and the relocation of the road and rail facilities on Cornwall Island.

The Committee therefore recommends that the Secretary of State for External Affairs inform the U.S. authorities that the Canadian Government is prepared to have the St. Lawrence Seaway Authority join with the Saint Lawrence Seaway Development Corporation in the construction of the new rail, road, customs and other facilities between the two spans on Cornwall Island, provided,

(a) that the necessary legislation be introduced in Parliament to authorize the Canadian Seaway Authority and the U.S. Seaway Corporation to undertake the construction of the said new bridge;

(b) that the U.S. Seaway Corporation undertake to provide adequate highway facilities between the Polly's Gut Bridge and St. Regis via the Grass River and the Grass River Lock bridges; and

(c) that further consideration be given to the position of the U.S. and Canadian taxing authorities, the retention by the Canadian Seaway Authority of title to the relocated facilities on the Canadian side of the boundary and the arrangements to be made between the Authority and the Corporation on the one hand and the New York Central and the Bridge Toll Company on the other.¹⁶²

GEORGE C. MARLER

¹⁶² Approuvé par le Cabinet le 21 septembre 1955.
Approved by Cabinet on September 21, 1955.

SECTION F

TAXE SUR LE TRANSPORT
TRANSPORTATION TAX

437.

DEA/12029-40

*Note du sous-secrétaire d'État aux Affaires extérieures
pour le secrétaire d'État aux Affaires extérieures*

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

CONFIDENTIAL

[Ottawa], April 7, 1955

U.S. TRANSPORTATION TAX

Last summer, the Minister of National Health and Welfare drew the attention of our Department to the fact that, pursuant to a ruling issued by the United States Treasury Department, a U.S. transportation tax was being collected in Canada on rail travel tickets purchased in Canada by residents of the United States intending to travel in the U.S.A. Mr. Martin had been made aware of this situation by one of his Windsor constituents who is a ticket agent employed by the New York Central Railroad. What actually takes place is, for example, that a resident of Detroit, wishing to travel to Dallas, crosses the border to Windsor and buys his ticket in that city, so as to avoid payment of the U.S. tax to which he would normally be liable. To counteract this practice, the U.S. Revenue authorities issued a ruling instructing American railroads to collect the U.S. transportation tax through their agents in Canada from purchasers resident in the U.S.

The tax is imposed by virtue of the U.S. Internal Revenue Code and "applies to amounts paid *without* the United States on or after November 1, 1950, for the transportation of persons on or after such date by rail, motor vehicle, water, or air which begins and ends in the U.S. ...". In this connection we have ascertained that at least one Canadian carrier (T.C.A.) collects the U.S. tax on tickets sold by them in Canada for transportation between two points in the U.S.A. when the said trip does not begin in Canada. For example, a resident of Ottawa intends to motor in his own car to New York and to fly from N.Y. to Miami; if he buys the air ticket from T.C.A. in Canada, T.C.A. collects from him the U.S. transportation tax.

The collecting of United States excise tax on Canadian territory can be regarded as an endeavour to establish a part of the U.S. fiscal system on Canadian territory, and as such, is contrary to widely recognized principles of international law. As a matter of fact, when our Embassy at Washington raised the matter informally with them, State Department officials agreed that any formal complaint we might make would be justified on the basis of international law.

The advisability of our lodging such a protest, and its possible effects, were considered this month by officials of our Department, Finance and National Revenue. The conclusion was reached that a protest might well create difficulties for our own citizens greater than the advantages derived from the assertion of the principle involved. For instance, it might become impossible for Canadians to purchase, in Canada, transportation between two points in the U.S., or again the U.S. might establish a system of collecting on the U.S. side of border points, in some way or another, from both Canadian and U.S. residents, the U.S. tax on the U.S. portion of any trip *begun in Canada*.

In the view of the representative of the Department of Finance (Dr. Eaton) such a situation would likely come about if we formally protested to the U.S. Government: that Government in turn would probably then ask the Canadian Government for permission to collect the tax in Canada, and in Dr. Eaton's view the Canadian Government would be bound to refuse on grounds of principle.

On balance, it appears to the officials concerned to be preferable to close our eyes, for the time being at least, to the practice followed by the U.S. authorities. This is the suggestion which I am recommending to you today and I should be grateful if you would let me know whether it is agreeable to you. A similar recommendation is being made to the Ministers of Finance and National Revenue by their officials.¹⁶³ In addition, I am attaching for your signature if you approve, letters† to Mr. Martin and Mr. Marler enclosing copies of this memorandum for their consideration.

J. L[ÉGER]

SECTION G

CÂBLE TRANSATLANTIQUE
TRANS-ATLANTIC CABLE

438.

DEA/11709-A-40

*Note du sous-secrétaire d'État aux Affaires extérieures
pour le secrétaire d'État aux Affaires extérieures*

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

CONFIDENTIAL

[Ottawa], January 6, 1955

APPLICATION OF THE COMMERCIAL CABLE COMPANY WITH RESPECT
TO A TRANS-ATLANTIC CABLE

You will recall that when this subject was recently considered by Cabinet no final decision was made.¹⁶⁴ It was thought that before a conclusion could be reached it would be necessary to have further information regarding the provisions of the Charter of the Company, possible amendments which might be made in the Telegraphs Act to enable the Government to enforce conditions attached to any licence, and the judgment of the Canadian military authorities on the defence aspects of the application. In these circumstances, it was not possible to say anything very precise to the Company or to the U.S. Embassy.

2. Mr. Ritchie of this Department was, therefore, not very well placed to deal with a telephone enquiry which he received on January 4 from Mr. Gordon MacLaren, the Company's legal adviser. Mr. Ritchie did not feel free to disclose the particular aspects of the question which were being investigated further and was not, of course, able to inform Mr. MacLaren concerning the probable outcome or even concerning the date by which a decision might be made. He merely observed that the application raised a considerable variety of pretty complex questions and that, although he appreciated that the application had been filed four months ago, there was still nothing definite that could be said about it.

¹⁶³ Approuvé par les ministres./Approved by ministers.

¹⁶⁴ Voir/See Volume 20, Document 596.

3. Mr. MacLaren was obviously not happy with the reply which he received, and he remarked that this was an important and urgent matter, as evidenced by the fact that the U.S. State Department and Department of Defence were taking an interest in it. Mr. Ritchie assured Mr. MacLaren that the importance and urgency of the question were fully appreciated. He went on to say that no doubt the same kinds of considerations which accounted for the interest of several U.S. Government Departments also explained why various Canadian Government Departments were having to examine the question pretty carefully. Mr. MacLaren did not see why this should take so long, since, in his view, the Company was merely asking to be allowed to do something which was already permitted under its Charter.

4. Mr. Ritchie later spoke with Mr. Baldwin of the Department of Transport and with the Privy Council Office concerning the stage which had been reached in the consideration of this application and concerning the answer which should be given to enquiries of the kind which he had received. It would seem quite apparent that it will take some time to complete the studies relating to the application. (In particular, the views of the military authorities are not likely to be available until the end of the month). In the meantime, it will be difficult to deal consistently with the enquiries which can be expected from the representatives of the Company, and the Company may later be able to allege that it had been put off or misled.

5. I understand that Mr. Baldwin will be considering the matter further and will probably be recommending to his Minister that some interim reply be given to the Company at an early date. Mr. Marler may, accordingly, raise the question in Cabinet in the near future.¹⁶⁵

6. In the light of the previous Cabinet discussion, we have not felt free to say much to the American Embassy. In particular, we have not thought that it would be appropriate for us to tell the Embassy that, if the U.S. Government saw fit to present an alternative proposal of a strictly military character, we would be prepared to give it the same expeditious consideration as is normally given to defence matters between our two Governments. It seems to us that it would be rather pointless to make such an offer to the Embassy before we are able to say what is likely to be the fate of the C.C.C. application. If it is decided by Ministers that some interim explanation should be given to the Company, it may be well to decide at the same time that a similar explanation (together with an offer to consider quickly any strictly defence project which might be put forward) should be made to the U.S. Embassy as well.

7. Mr. Marler may mention this subject to you within the next few days (and you may also, of course, receive a call from Mr. MacLaren).

J. L[ÉGER]

439.

PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET

[Ottawa], January 17, 1955

...

¹⁶⁵ Note marginale :/Marginal note:

It is important that this should be done [L.B. Pearson]

COMMERCIAL CABLE COMPANY; APPLICATION FOR LANDING RIGHTS

29. *The Minister of Transport*, referring to discussion at the meeting of December 16th, 1954, said the Department of Justice had submitted an opinion, earlier, as to the powers of the Governor in Council either to refuse to grant the application of Commercial Cable Company of New York for permission to land in Canada a coaxial submarine cable, which they planned to lay between the United States, Canada, Greenland, Iceland and the United Kingdom, or to approve the application with certain conditions or limitations. The opinion, submitted on November 10th, 1954, made it quite clear that the Governor in Council had full power to refuse outright the landing in Canada of such a cable or to allow the landing with any limitations or conditions it might be deemed fit to impose. The opinion, however, did not indicate the precise extent of the legal rights of the Company under its Charter of 1884.

The Minister further pointed out that the Chiefs of Staff had not yet submitted an opinion as to the merits of this application from the purely military point of view, and he felt that the government might wish to have the benefit of the views of the Chiefs of Staff before a final decision were made.

On the other hand, the Company naturally was anxious to find out as soon as possible whether its application would be granted or not, and it was understood that the U.S. Embassy at Ottawa was also pressing for a decision in view of the importance placed on this project from the point of view of U.S. defence.

30. *In the course of discussion* the following points emerged:

(a) It was not unlikely that the North Atlantic Treaty Organization might be interested in the Commercial Cable Company project on military grounds. It was understood that the United Kingdom was also interested in the project on a purely defence basis but was not at all interested in the commercial use to be made of this cable.

(b) Consideration was being given to the possibility of having the Canadian Overseas Telecommunications Corporation purchase the contract that the Canadian National Railways now had with Western Union for external telecommunications. If this could be done, it would tend to reduce the extent to which foreign companies controlled Canada's external telecommunications.

(c) Pending receipt of a supplementary opinion from the Department of Justice and the views of the Chiefs of Staff as to the desirability of Commercial Cable's proposal on defence grounds, it might be desirable to give an interim reply to the Company and to the U.S. Embassy at Ottawa which would be rather discouraging in tone and merely indicate that, because of the serious implications of the proposal and because all the required information had not been received, the government was not yet in a position to reach a final decision.

31. *The Cabinet* noted the report by the Minister of Transport on the application of the Commercial Cable Company of New York for permission to land in Canada a coaxial submarine cable they proposed to lay between the United States and the United Kingdom, and agreed,

(a) that a final decision in this matter be deferred pending receipt of a supplementary opinion from the Department of Justice as to the precise extent of the legal rights vested in the Company by its 1884 Charter, or by any other authority, and the views of the Canadian Chiefs of Staff as to the merits of the proposal from the purely military point of view; and,

(b) agreed that the Minister of Transport inform the Company, and the Secretary of State for External Affairs inform the U.S. Embassy at Ottawa that, because of the implications of the Company's application to the government's policy on external telecommunications,

it had been necessary to examine the whole problem with the utmost care and that sufficient information on which to reach a final decision had not yet been made available to the government.

...

440.

PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET

[Ottawa], February 1, 1955

...

TRANS-ATLANTIC CABLE; APPLICATION OF COMMERCIAL CABLE COMPANY

10. *The Minister of Transport*, referring to discussion at the meeting of January 17th, 1955, said the Chiefs of Staff had informed the Under-Secretary of State for External Affairs that they were of opinion that the proposed trans-Atlantic cable to be laid by the Commercial Cable Company of New York between the United States and the United Kingdom via Nova Scotia, Newfoundland, Greenland and Iceland, would, from the purely defence point of view, be an important and desirable addition to telecommunications facilities.

11. *The Minister of Justice* also reported that he was satisfied that the Governor in Council had all the statutory and other powers required to withhold the granting of a licence for the landing of this cable in Canada, or to grant a licence subject to any conditions or limitations the Governor in Council might deem fit to impose.

12. *Mr. Marler* recommended, therefore, that the Commercial Cable Company be informed that the government was prepared to grant a landing licence for the proposed cable, subject to certain technical stipulations, on condition that the company undertake not to terminate circuits in Canada except for,

(a) purposes of defence communications from Canada to points outside Canada so far as circuits now available were insufficient; and,

(b) commercial purposes, but only in respect of circuits that were leased with government approval to Canadian owned and controlled telecommunications companies.

...

441.

DEA/11709-A-40

*Note du sous-secrétaire d'État aux Affaires extérieures
pour le secrétaire d'État aux Affaires extérieures*

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

CONFIDENTIAL

[Ottawa], March 14, 1955

TRANS-ATLANTIC SUBMARINE CABLE

The attached Note No. 180 from the United States Ambassador was left with us late on March 10. We are sending copies of it around to the members of the Ad Hoc Interdepartmental Committee on the Commercial Cable Company's Trans-Atlantic Cable Project and

have suggested to the Chairman, Mr. R.B. Bryce, that a meeting should be called within a few weeks to discuss the nature of the reply which should be sent to the Ambassador.

You will observe that the first two paragraphs of the Note are factual (indeed, the second paragraph might also be thought to have no proper place in the Note at all, as it appears to do no more than endorse representations which the Company has already made on several occasions to the Government). The third paragraph, however, raises an interesting point by suggesting that United States "defence requirements" may (sometimes) take into account the need to duplicate existing facilities in order to have "alternative" means of communications. Hitherto we had assumed that all of the United States defence requirements for facilities in Canada had been related to their actual needs without any spare or duplicate facilities. The Ambassador's Note appears to throw some doubt on whether our past assumptions have been well founded.

There seems to be a possibility that the Government's decision, which is correctly stated at the end of the first paragraph, was not fully understood by the United States Government because, if it had been, they would have realized that it already provides for United States defence needs to be met as they arise. However, I would not make too much of the Note's third paragraph because the whole question of defence needs is revealed to be of secondary importance. The penultimate paragraph makes the fundamental point that unless the Company is allowed to exploit the cable as fully as possible as a commercial venture, the United States Air Force would not enjoy the benefit of having an alternative means of communication with Newfoundland.

In anticipation of the next meeting of the Ad Hoc Committee, I should be grateful for your views on whether the representative of this Department should raise once more the suggestion made informally last year that, if the Company abandons its project, we might offer to consider joining the United States, the United Kingdom and Denmark, in sharing the cost of laying a cable to be used exclusively for defence purposes within the framework of NATO.¹⁶⁶ If such an idea were practicable and our respective shares of the cost reasonable, then, by putting forward the idea, we would be protected from any United States criticism that we had acted unreasonably.

J. L[ÉGER]

[PIÈCE JOINTE/ENCLOSURE]

*L'ambassadeur des États-Unis
au secrétaire d'État aux Affaires extérieures*

*Ambassador of United States
to Secretary of State for External Affairs*

NOTE NO. 180

Ottawa, March 10, 1955

CONFIDENTIAL

The Ambassador of the United States of America presents his compliments to the Secretary of State for External Affairs and has the honor to refer to the application by the Commercial Cable Company addressed to the Governor-in-Council of your Excellency's Government for approval of landing sites in Canada for a trans-Atlantic submarine cable under the provisions of the Charter granted to the Company by an Act of Parliament in

¹⁶⁶ Note marginale :/Marginal note:

I think that this might be raised for examination L.B. Pearson]

1884. Reference is made in particular to the Secretary's letter of February 10, 1955† informing the Ambassador that the Canadian Government is prepared to grant authority for the landing of the proposed cable but would place restrictions on the use of the cable to the extent that circuits shall not be terminated in Canada except for:

1. Purposes of defense communications from Canada to points outside Canada so far as other available circuits are insufficient, and
2. Commercial circuits in respect of circuits leased to Canadian Overseas Telecommunication Corporation.

With respect to the foregoing exceptions, the Commercial Cable Company has advised its Government that:

1. The Company has operated in Canada since 1884 under the provisions of its charter without any restrictions whatever.
2. The Company has requested approval for landing sites in Canada for six trans-Atlantic cables during the years since 1884 and all have been approved without delay and without any restrictions whatever on the service to be rendered over said cables.
3. The Company has never been notified of any change in its charter rights to lay, operate, maintain, repair and renew its cables. The proposed cable is in fact a renewal of one of the Company's 1884 cables which, because of its age and deterioration has been out of service for several years. However, it follows a new route across the Atlantic for military reasons of which Your Excellency's Government is aware.

In the light of exception No. 1 in the Secretary of State's letter of February 10, the Government of the United States wishes to point out that a quantity of circuits over a single route would not necessarily indicate that the defense requirement had been met. On the contrary, it is considered reasonable to expect that the Government of the United States would wish to lease channels in the proposed submarine cable to provide an alternate means of secure communications from the United States to Newfoundland, thereby decreasing the vulnerability of the single route. It is therefore considered that the United States Air Force should be authorized to lease facilities in the proposed cable to meet requirements as they arise. Such leased facilities would provide an alternative means of communications.

Heretofore the United States Air Force has not been concerned with the commercial aspects of the proposed cable. It is now recognized that if all the countries with which the Commercial Cable Company is negotiating for landing rights were to impose restrictions similar to those suggested by your Government, the cable would not be a sound commercial venture. The Commercial Cable Company has stated that the expense of laying the cable could not be justified from the standpoint of military use alone. On the other hand, the United States Department of Defense could not justifiably support the huge expenditure involved in laying the cable solely on the basis of defense requirements.

In view of the foregoing urgent considerations affecting the defense of North America, the Government of the United States hopes that the Government of Canada will reconsider its earlier position with a view to withdrawing the restrictions outlined in the Secretary's letter of February 10, 1955.¹⁶⁷

R.D. STUART

¹⁶⁷ Note marginale :/Marginal note:

A copy was handed to Mr. Ross of Earncliffe on April 27 David B. Wilson

442.

PCO

*Note du secrétaire d'État aux Affaires extérieures
pour le Cabinet*

*Memorandum from Secretary of State for External Affairs
to Cabinet*

CABINET DOCUMENT NO. 127-55

Ottawa, May 9, 1955

CONFIDENTIAL

APPLICATION OF THE COMMERCIAL CABLE COMPANY FOR LANDING RIGHTS
IN CANADA FOR A NEW CO-AXIAL SUBMARINE CABLE

It will be recalled that Cabinet decided early in February that the Company might be allowed to lay its proposed cable across Canadian territory subject to certain technical and related stipulations, and on condition that no circuits be terminated in Canada except for

(i) purposes of defence communications from Canada to points outside Canada so far as other available circuits are insufficient, and

(ii) commercial circuits in respect of circuits leased to the Canadian Overseas Telecommunication Corporation.

The United States Ambassador was so informed in a letter dated February 10. However, he has since asked, in a Note dated March 10, that the above mentioned restrictions be withdrawn. A copy of the Ambassador's Note No. 180 is attached.

I have consulted my colleagues, the Minister of National Defence and Transport, and we are agreed that the attached Note brings forth no new considerations which were not taken into account before the Cabinet's decision on the Company's application was taken early in February. We are not satisfied that there are sufficient grounds on which a reversal of that decision might be justified. In these circumstances I recommend that the Ambassador be informed:

(a) that, with respect to the Company's commercial interest, the Government's decision respecting the terminating of commercial circuits in Canada made adequate provision for the Company to benefit from such Canadian business as might appropriately be available by allowing the use of the facilities of the proposed cable, through the leasing of circuits to the Canadian Overseas Telecommunication Corporation. (In this connexion it has been noted that the proposed cable, which would have a capacity of 120 duplex teleprinter channels each operating at a speed of 60 words per minute in each direction, is stated in Note No. 180 to be a replacement for one of the Company's 1884 cables which, however, are understood to have a capacity of less than 2 duplex teleprinter channels. It has also been noted that the 24 duplex channels which the Company wishes to terminate initially at Canso for traffic between Canada and other countries would exceed the total capacity of all the present submarine cables between North America and Europe, which aggregate about 18 1/2 duplex channels in capacity.);

(b) that, with respect to the United States Government's defence interest, the Government has already agreed that, in the event the Company proceeds with the laying of this cable in the light of the access which it would have to Canadian and other business as mentioned above, circuits may be terminated in Canada for purposes of defence communications with points outside Canada to the extent that other available circuits are insufficient, and consequently adequate provision has been made for meeting United States

defence communication needs (including, in that event, the need for an alternative secure means of communication) as requested in the Ambassador's Note. The Canadian position with respect to this matter would, of course, be reviewed in the event of any grave emergency arising;

(c) that in addition, alternative routing will be possible over the Newfoundland-Canadian mainland portion of the proposed trans-Atlantic coaxial telephone cable between the U.S.A., Canada and the United Kingdom to be constructed and jointly owned by the American Telephone and Telegraph Company, the United Kingdom Government and the Canadian Overseas Telecommunication Corporation.

(d) that if, despite the opportunities which there might be for carrying Canadian commercial traffic on the conditions mentioned in paragraph (a), the Company would not consider it worthwhile to lay the proposed cable, it would not seem reasonable to suggest that, on the grounds of United States defence needs which might arise, the Canadian Government and Canadian firms should be required to sacrifice their established telecommunications interests in order that the laying of this cable might proceed, especially in circumstances in which the United States Government does not consider that defence requirements alone would justify them in making any substantial expenditures in order to have the cable laid. Moreover, having in view the far greater volume of traffic between the United States and Europe than exists between Canada and Europe, it would also appear unreasonable to imply that the denial of unrestricted freedom to the Company to exploit 24 duplex channels terminated in Canada would deprive the Company of revenues sufficiently large to determine their decision whether to proceed with the cable project;

(e) that, in the light of the foregoing and of other considerations, the Government is not satisfied that there is sufficient justification for altering the conditions outlined in the letter to the Ambassador dated February 10, 1955.¹⁶⁸

L.B. PEARSON

CONCURRED IN:

Minister of National Defence

Ralph Campney

Minister of Transport

G. Marler

¹⁶⁸ Approuvé par le Cabinet le 8 juin 1955. L'ambassadeur américain avait été informé de la décision du Cabinet par la note n° E-159, du 22 juin 1955, qui faisait état des recommandations de (a) à (e). Approved by Cabinet on June 8, 1955. The American Ambassador was informed of the Cabinet's decision in Note No. E-159 of June 22, 1955, which reproduced recommendations (a) through (e).

4^e PARTIE/PART 4
ÉNERGIE ATOMIQUE
ATOMIC ENERGY

SECTION A

ACCORD DE COOPÉRATION SUR LES UTILISATIONS CIVILES
DE L'ÉNERGIE ATOMIQUE
AGREEMENT FOR COOPERATION ON THE CIVIL USES OF ATOMIC ENERGY

443.

DEA/14003-U-4-3-40

*Note de la 1^{re} Direction de liaison avec la Défense
pour le sous-secrétaire d'État aux Affaires extérieures*

*Memorandum from Defence Liaison (1) Division
to Under-Secretary of State for External Affairs*

SECRET

[Ottawa], January 18, 1955

AGREEMENTS FOR ATOMIC ENERGY COOPERATION WITH UNITED STATES

You may recall that this division informed you some weeks ago that Mr. Bennett had sent to the U.S. Atomic Energy Commission a copy of a draft agreement† for cooperation on the civil side of atomic energy. In a telephone conversation today Mr. Bennett informed Barton of this division that General Nichols, the General Manager of U.S. Atomic Energy Commission, had sent to Mr. Bennett informally a U.S. version of the draft agreement.† Bennett told Barton that after studying the U.S. draft he had talked to Nichols on the telephone and informed him that in its present form it was quite unacceptable. Bennett proposes to go to Washington in the course of the next week or ten days, when General Nichols indicates that it is convenient, to discuss the draft with him in detail. He mentioned in particular two points in the agreement which were unsatisfactory. The first was that it excluded any information which had "military significance". If this were interpreted literally it would exclude any information on radiological effects, health and safety, detection methods, etc. The second point that Bennett found unacceptable was that information on specific types of power reactors would be given only if Canada were building or were planning to build the same type of reactor. Since the basis of the Canadian plan is to compare the performance of the Canadian heavy water reactor with the other types being made in the United States in order to determine relative efficiencies, this condition would largely nullify the value of the agreement.

2. Bennett then said that he was slated to make a speech in Ottawa about the middle of February and if progress had not been made by that time he was giving some thought to chiding the Americans publicly. Presumably before doing this Bennett would check at least with his own Minister, if not with this department.

3. Barton then told Bennett of Mr. Bryce's illness and asked Bennett if he had thought of discussing these developments with the Advisory Panel on Atomic Energy. Bennett thought that there would not be much point in discussing the matter with the Panel until he had met with Nichols and learned how firmly wedded the Americans were to those features of the U.S. draft agreement which were unacceptable to Atomic Energy of Canada Limited.

4. Bennett concluded the discussion by inviting Barton to go over to his office and have a look at the U.S. draft agreement. If a study of the draft reveals any further features of interest I will send you a further memorandum.

J. TEAKLES

444.

C.D.H./Vol. 10

*Le président de l'Énergie atomique du Canada Ltée.
au ministre du Commerce*

*President, Atomic Energy of Canada Limited,
to Minister of Trade and Commerce*

PRIVATE AND CONFIDENTIAL

Ottawa, February 23, 1955

Dear Mr. Howe,

In a letter of October 28th, 1954,¹⁶⁹ I quoted the pertinent sections of the amended United States Atomic Energy Act affecting the exchange of information, the mutual use of services, et cetera, in the power reactor field. I have also reported to you verbally from time to time on our progress in negotiating an Agreement for Co-operation, as provided by the amended Act.

At the suggestion of the United States Atomic Energy Commission we submitted a draft proposal for an Agreement in November last. At a subsequent meeting with the United States Atomic Energy Commission this draft was discussed, and it was agreed that the U.S.A.E.C. would prepare a draft Agreement incorporating our material. The first draft was received in mid-January and has been discussed with the U.S.A.E.C. The second draft,† incorporating certain revisions which I suggested, was received a few days ago.

I expect to attend a meeting in Washington next week, at which time I would hope that the Agreement can be put in final shape. Before I attend this meeting I would like to have your comment on two questions of policy which are still outstanding. These concern the sale of plutonium and the sale of uranium in the period beyond our present contractual obligations.

The clause in the U.S.A.E.C. draft covering the future sale of plutonium reads as follows:

“Canada will give to the United States a first refusal of any special nuclear materials which Canada may desire to transfer outside Canada. Canada and the United States Atomic Energy Commission will consult with each other on the international significance of any proposed transfer of any such materials to any other government or to any person beyond the jurisdiction of the respective governments, but this provision shall not be construed to modify the restrictions provided in Article X B or XI C.”

This clause means simply that we would not be in a position to sell plutonium produced at Chalk River or produced elsewhere in Canada during the ten-year period of the Agreement, without giving the United States the right of first refusal. As a matter of principle, I do not believe we can accept this proposal. I would, however, have no objection to consulting with the United States Atomic Energy Commission on the proposed sale or transfer of plutonium to another country, as provided in the second sentence of the clause.

The clause in the U.S.A.E.C. draft concerning the sale of uranium reads as follows:

¹⁶⁹ Voir/See Volume 20, Document 511.

“Canada confirms an understanding with the United States that it will make all uranium produced in Canada up to March 31, 1962, except for that portion which is reserved for its own use, available to the United States under terms similar to those of existing contracts, which will remain in force. Canada will also give the United States the option to purchase under terms similar to those of existing contracts all uranium thereafter produced in Canada during this agreement in excess of such quantities as may be required in Canada’s atomic energy program to the extent that such uranium is needed by the United States for defense purposes.”

This clause has the effect of giving the United States Atomic Energy Commission first call on uranium produced in Canada after March 31st, 1962, to the extent that such uranium is needed for the United States military programme and excepting such quantities as Canada may wish to reserve for her own use. Inasmuch as the U.S.A.E.C. is now underwriting all uranium contracts and is paying a price which provides for the complete write-off of capital and pre-production expenses during the life of the present contracts, it is my view that we are under some moral obligation to continue to sell to the U.S.A.E.C. beyond March 31st, 1962, providing that the uranium is needed for the military programme. It is the thought of the U.S.A.E.C. that, should the military demand continue beyond March 31st, 1962, the present contracts would be extended. However, a new price would be negotiated which would take into account the fact that capital and pre-production expense had been fully written off in the original contract. The one complication in the picture is the possibility that a civilian market may have developed outside of Canada in the early ‘60’s. There is no doubt that the United Kingdom will be in the market for uranium for its power programme by that time. There may be also markets in other countries. We must anticipate that the Canadian producer will wish to meet some part of this demand. As you are aware, Plowden has already discussed with me the possibility of contracting for Canadian uranium after March 31st, 1962. If the clause stands as written, we would have to give the United States first call on Canadian uranium if the military demand in the United States continues after 1962. As a way around this difficulty, I have suggested to both Plowden and to Johnson of the U.S.A.E.C. that the Combined Development Agency which is now responsible for allocating uranium for military purposes should also assume responsibility for allocating uranium for civilian purposes during such period as there may be a twofold demand. Under such an arrangement, we could ensure that some part of the civilian demand would be met from Canadian production. The problem now is whether we should accept the clause as written, in anticipation that the Combined Development Agency will move into the picture.

I would appreciate an opportunity of discussing these points with you before I go to Washington.

Yours sincerely,
W.J. BENNETT

445.

C.D.H./Vol. 10

*Le ministre du Commerce
au président de l'Énergie atomique du Canada Ltée.*

*Minister of Trade and Commerce
to President, Atomic Energy of Canada Limited*

PRIVATE AND CONFIDENTIAL

[Ottawa], February 24, 1955

Dear Mr. Bennett,

Thanks for your letter of February 23rd, regarding the United States Atomic Energy Act affecting the exchange of information, the mutual use of services, etc., in the power reactor field as they affect the agreement for cooperation.

Since receiving your letter, you and I have discussed the situation, and I think that you understand my viewpoint on the matters referred to in your letter.

I will be glad to know the results of your further meeting with the Atomic Energy Commission.

Yours sincerely,

C.D. HOWE

446.

C.D.H./Vol. 10

*Le président de l'Énergie atomique du Canada Ltée.
au ministre du Commerce*

*President, Atomic Energy of Canada Limited,
to Minister of Trade and Commerce*

CONFIDENTIAL

Ottawa, March 14, 1955

Dear Mr. Howe:

Further to our recent conversation concerning the clause in the proposed Agreement for Co-operation with the United States Atomic Energy Commission covering the arrangements for the sale of uranium, George Bateman and I have made a second revision of the proposed clause. A copy of this is attached. I am also attaching, for comparative purposes, the first draft of the clause and the first revision of the clause which I discussed with you some days ago.

We believe that the clause as now drafted expresses the intent of the parties satisfactorily. Paragraph two expresses our intent to supply uranium to the United States as long as the military demand continues. Paragraph three provides an opportunity to supply the civilian requirements of other countries, particularly those of the United Kingdom, should uranium be available for civilian allocation.

Yours sincerely,

W.J. BENNETT

[PIÈCE JOINTE/ENCLOSURE]

ARTICLE VI — NON-RESEARCH QUANTITIES OF MATERIALS

First Draft

F.

Canada confirms an understanding with the United States that it will make all uranium produced in Canada up to March 31, 1962, except for that portion which is reserved for its own use, available to the United States under terms similar to those of existing contracts, which will remain in force. Canada will also give the United States the option to purchase under terms similar to those of existing contracts all uranium thereafter produced in Canada during this agreement in excess of such quantities as may be required in Canada's atomic energy program to the extent that such uranium is needed by the United States for defense purposes.

First Revised Draft

F.

Canada will continue the present arrangements with the United States whereby all uranium produced in Canada up to March 31, 1962, except for that portion which is reserved for its own use, will be made available to the United States under terms similar to those of existing contracts, which will remain in force. Canada will use its best efforts to make contracts with its producers which will enable it to give the United States the option to purchase, under terms no less favorable than those of existing contracts, all uranium thereafter produced in Canada during this agreement in excess of such quantities as may be required in Canada's atomic energy program to the extent that such uranium is needed by the United States for defense purposes. It is recognized that the time will come when the supply of uranium will exceed defense needs, and the parties will consult with each other from time to time with respect to the proportion of Canadian production which will be needed by the United States for defense purposes.

Second Revised Draft

F.

Canada will continue the present arrangement with the United States, under which all uranium produced in Canada up to March 31st, 1962, will be made available to the United States under terms and conditions comparable to those of existing contracts, except such quantities as Canada may reserve for her own use.

Since this Agreement will be in effect for a period beyond March 31st, 1962, Canada will use its best efforts to provide that in making further contracts for new production, the United States shall have the option during the period by which this Agreement extends beyond March 31st, 1962, to purchase such new production to the extent that it is needed for defense purposes.

It is recognized that the time will come when the supply of uranium will exceed defense needs. It is also recognized that, since the production of uranium in Canada will exceed greatly the anticipated domestic requirements, Canada may desire to contribute to the civilian requirements of other countries, particularly those of the United Kingdom. With this in view, it is agreed that the United States and Canada will consult with each other at an early date, and from time to time, as to the amount of Canadian production which is to be made available for such purposes.

447.

C.D.H./Vol. 10

*Le ministre du Commerce
au président de l'Énergie atomique du Canada Ltée.*

*Minister of Trade and Commerce
to President, Atomic Energy of Canada Limited*

CONFIDENTIAL

[Ottawa], March 17, 1955

Dear Mr. Bennett,

Thanks for yours of March 14th, enclosing clause covering arrangements for the sale of uranium contained in the proposed Agreement with the United States Atomic Energy Commission.

Your second revised draft seems to cover the situation very well and has my approval.

Yours sincerely,

C.D. HOWE

448.

DEA/14003-U-4-3-40

*Note du sous-secrétaire d'État aux Affaires extérieures
pour le secrétaire d'État aux Affaires extérieures*

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

CONFIDENTIAL

Ottawa, April 22, 1955

CANADA-UNITED STATES AGREEMENT FOR COOPERATION IN THE CIVIL USES
OF ATOMIC ENERGY

You will recall that on April 6, when I showed you the draft "Agreement for Cooperation"† between Canada and the United States in the civil uses of atomic energy, you expressed the view that it should be revised to include an element of reciprocity. The Secretary to the Cabinet consulted the Prime Minister, who made a similar observation.

2. Attached is a copy of the latest draft, incorporating changes made to meet the point you raised. These changes include the following:

(a) Throughout the agreement, except in one or two places where it seemed undesirable (e.g. Article II.D(2)(a)), the words "the Commission will not communicate information", were amended to read that the parties to the agreement would not exchange information.

(b) The Article on "Limitations" (Article II A) was amended by adding the following sentence: "It is mutually understood and agreed that unless otherwise specified, any limitations to cooperation imposed pursuant to this Agreement shall be reciprocal."

(c) Article XI B, in which Canada guarantees not to use any materials transferred pursuant to this Agreement for military purposes, has been modified to read that such materials will not be used for military purposes "by Canada". In addition, Articles VI B and C have been reworded to emphasize that the supply of uranium metal and heavy water for the NRX and NRU reactors is covered by agreements already in existence (and implicitly, therefore, not subject to the undertaking in Article XI B). These changes take care of the fact that Canada is using NRX to test U.S. submarine reactor loops and is under contract to sell plutonium from NRX and NRU to the United States for use in its weapons programme.

They would also make it possible for Canada to use these reactors for its own military purposes if it so desired.

(d) A new Article XII has been inserted entitled "Guaranties by the United States" to reciprocate the guaranties required from Canada in Article XI.

3. Mr. Bennett has sent this draft to the U.S. Atomic Energy Commission for comments at the official level. It is my understanding that, if the Commission has no further changes to propose, Mr. Bennett intends to have the draft referred to Cabinet.

4. If you concur, I propose to inform Mr. Bennett that the revised Draft would seem to meet your objections to the original version and that this Department agrees that the draft might be referred to Cabinet after it has been ascertained that the U.S. Atomic Energy Commission has no further changes to propose.¹⁷⁰

J. L[ÉGER]

449.

DEA/14003-U-4-3-40

*Note du sous-secrétaire d'État aux Affaires extérieures
pour le secrétaire d'État aux Affaires extérieures*

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

CONFIDENTIAL

Ottawa, May 27, 1955

AGREEMENT FOR COOPERATION CONCERNING CIVIL USES OF ATOMIC ENERGY
BETWEEN THE UNITED STATES AND CANADA

Attached is the latest version† of the proposed agreement for cooperation concerning civil uses of atomic energy between the United States and Canada. As you know, Mr. Bennett is anxious to have the agreement considered by Cabinet next week (June 2), since the U.S. Atomic Energy Act requires that the document must be submitted to the Joint Committee of the Congress and a period of 30 days must elapse while Congress is in session. Thus, if this is not done within the next two weeks, the conclusion of the agreement may be delayed until the next session of Congress.

2. Also attached, as a cover paper to the agreement, is a draft memorandum to Cabinet† which Mr. Bennett proposes should be submitted by the Minister of Trade and Commerce with the concurrence of the Secretary of State of State for External Affairs, recommending that authority be granted for conclusion of the agreement.

3. With one important reservation, which is discussed below, I am satisfied with the Agreement and I believe that it could be defended without difficulty if it were decided that it should be made public.

4. My one reservation is about the security provisions associated with the agreement. Article X A reads in part at present, "The two governments agree that all classified information and material ... within the scope of this Agreement, will be safeguarded in accordance with the security safeguards and standards set forth in the Appendix, which is hereby made a part of this Agreement."

5. The proposed security appendix (copy attached),† which officers from this department saw for the first time this week, has a number of features which seem to me to be undesir-

¹⁷⁰ Note marginale :/Marginal note:
OK [L.B. Pearson]

able, particularly if the appendix is "made a part of this Agreement". The following are examples:

Page 5, paragraph B1: requires that if one party to the agreement sends a visitor to an establishment of the other, not only must he identify the level of clearance granted the individual, but also the scope of the investigation upon which the clearance determination was based.¹⁷¹

Page 6, paragraph III: provides that the parties to the agreement will permit respective security groups to examine and view at first hand the implementing procedures of the agencies responsible for the administration of the atomic energy programs. For example Scott McLeod, or some of his ilk, will be able to come to Canada and check up on our procedures.

Page 7, Criteria for determining eligibility for security clearance: These criteria, which are to be applied not only to the individual but also his spouse, spell out all the features of "guilt by association" which are an element of United States security procedures but which Canada has hitherto avoided, at least to the extent of putting in writing. Even if we are prepared to live with the rest of the document, I do not believe we can accept paragraph 3. Pinned to the annex is a possible revision of this paragraph which would meet Canadian requirements.

6. In the course of the research we have done on this matter since we first saw the proposed security annex, we learned to our surprise that Atomic Energy of Canada Limited, under the authority of the Atomic Energy Control Board, has for a number of years been operating on special security procedures and criteria which are quite different from those observed by all other agencies of the Canadian Government, and which in fact are almost identical to United States standards. Thus the proposed new security annex is not much different in substance from procedures which Atomic Energy of Canada has been operating under on its own initiative for a number of years.

7. It now appears possible (we should know by the time of your meeting on Monday with Mr. Bennett) that the U.S. authorities may agree to a rewording of Article X of the Agreement, along the following lines:

"Atomic information made available pursuant to this Agreement will be accorded full security protection under applicable Canada-United States security arrangements, and where applicable, national legislation and regulations. In no case will either government maintain security standards for safeguarding atomic information lower than those set forth in Canada-United States security arrangements in effect on the date this Agreement comes into force."

8. This revision would at least have the merit of separating the main agreement from the security agreement, thereby making it easier to keep the latter secret even if the main agreement is published. It does not alter the main question, however, of whether the Government would be willing to pay the price of entering into a security agreement¹⁷² of this kind in order to obtain the atomic information which the United States can make available to Canada, and which our atomic energy authorities are convinced is of the greatest importance in the advancement of the Canadian programme.

¹⁷¹ Note marginale :/Marginal note:
What does "scope" mean? [L.B. Pearson]

¹⁷² Note marginale :/Marginal note:
Is there any agreement now[?] [L.B. Pearson]

9. We have asked Bennett why it would not be possible for Canada simply to give to the United States Government a copy of the Canadian atomic security regulations, accompanied by an undertaking not to lower our security standards as they apply to this agreement. This would avoid the problems of a "security agreement". Bennett is convinced, however, that this procedure would not satisfy the United States.

10. As you know, the Department of National Defence has been discussing with the U.S. Defence Department the substance of a similar agreement for cooperation on the military aspects of atomic energy. It is a coincidence that the two Defence Departments are holding discussions on this same question of security today. To our pleased surprise National Defence seems to be much more aware than Mr. Bennett of the objections to the Canadian Government becoming a party to a security agreement, particularly one which spells out "criteria" in United States terms. National Defence was hopeful that it could convince the Americans that it should be sufficient simply to supply the Canadian regulations and a guarantee to maintain existing standards. If it is successful we will have a useful precedent for arguing the civil case. We should know the results of the Defence Departments' discussions by Monday.

J. L[ÉGER]

450.

DEA/14003-U-4-3-40

Note du sous-secrétaire d'État adjoint aux Affaires extérieures

Memorandum by Assistant Under-Secretary of State for External Affairs

CONFIDENTIAL

[Ottawa], June 7, 1955

AGREEMENT WITH THE UNITED STATES FOR CO-OPERATION
CONCERNING CIVIL USES OF ATOMIC ENERGY — SECURITY PROVISIONS

About May 20, Mr. Bennett gave us for the first time the draft security annex which was to be attached to the main agreement and to be regarded as an integral part thereof.

2. Mr. Barton and I felt that there were many things wrong with the security annex and we discussed it with Mr. Bennett in a meeting in Mr. Bryce's office on May 24. The security annex contains many provisions of a kind distasteful to Canadian authorities and not included in any general Canadian security regulations. Apart from our objections to the substance of the security annex, we felt that it was unwise to have it attached to the main agreement as an integral part thereof — which would mean that the security annex would be expressly agreed to by the Canadian *Government*. Some of the provisions of the security annex were, in our view, of a kind that should not be expressly accepted by the Government as such.

3. Mr. Bennett said that there was really nothing new in the security annex because a similar agreement has been in force for several years between the Atomic Energy Control Board and the U.S. Atomic Energy Commission (A.E.C.). However, after further discussion, Mr. Bennett made it clear that there has not been in force a definite security *agreement*. What has been in force is a set of atomic security regulations adopted by the Atomic Energy of Canada Limited under the authority of the A.E.C.B. These regulations were adopted and a copy given to the A.E.C. some years ago because there was no other way of obtaining the atomic information which A.E.C.L. has in fact been getting from A.E.C.

4. Mr. Bennett undertook to discuss with the Commission possible alternatives to the form of the proposed security annex. In the meantime we submitted a memorandum to Mr.

Pearson explaining the problems. A meeting was held in Mr. Pearson's office on May 30 with Messrs. Bennett and Bryce, and Messrs. Wershof and Barton of the Department of External Affairs.

5. At this meeting Mr. Bennett reported as follows. There could be no substantial departure from the content of the security annex. Also, this document would have to take the form of an agreement. However, the Commission was willing to put what had been the proposed security annex to the main agreement into a *separate* agreement which will be signed between the Commission and the Atomic Energy Control Board. This will not be annexed to the main agreement between the governments. However, there will be a clause in the main agreement to the effect that all information exchanged thereunder will be governed by reciprocal security arrangements in force at the time of the signature of the main agreement (i.e., the new security agreement).

6. Mr. Bennett said that there was no thought of making public the security agreement. In fact, the Commission people were not anxious to make public the main agreement.

7. After discussion, Mr. Pearson agreed to the procedure proposed by Mr. Bennett. Mr. Pearson emphasized that we would not ever want the security agreement to be made public. However, there is much to be said in favour of making public the main agreement later this summer. It is understood that External will consult with Mr. Bennett during the summer with a view to approaching the State Department and the Commission for permission to declassify the main agreement, with a view to tabling it in Parliament.

8. In view of the status which is to be given to the security annex and in view of the fact that the A.E.C.B. has legal authority to make such an agreement, neither this Department nor Cabinet is called upon to agree to the substance of the security agreement. Of course, the Department of External Affairs knows what is in it and is acquiescing to the extent that Mr. Pearson is not going to raise any objection to it in Cabinet. However, the plain fact is that External is not required to approve or consent to the wording of the security agreement. Mr. Bennett realizes that there are many things in it that we do not like. At the same time, we in External realize that it is necessary for the A.E.C.B. to make the security agreement in a form acceptable to the Commission because, if they do not, Canada will not be able to obtain the main agreement which is undoubtedly of great value to Canada.¹⁷³

M.H. W[ERSHOF]

¹⁷³ Le Cabinet a approuvé l'accord le 2 juin 1955, l'article X ayant été modifié selon les modalités établies au paragraphe 5 ci-dessus. Pour la discussion du Cabinet, voir le document 454. Pour le texte final de l'accord, voir Canada, *Recueil des traités*, 1955, N° 15.

Cabinet approved the agreement, with Article X amended along the lines indicated in paragraph 5 above, on June 2, 1955. For the Cabinet discussion, see Document 454. For the final text of the agreement, see Canada, *Treaty Series*, 1955, No. 15.

SECTION B

ACCORD DE COOPÉRATION EN MATIÈRE D'UTILISATIONS MILITAIRES
DE L'ÉNERGIE ATOMIQUE¹⁷⁴
AGREEMENT FOR COOPERATION ON THE MILITARY USES
OF ATOMIC ENERGY¹⁷⁴

451.

DEA/50219-AK-40

*Projet d'accord de coopération
entre les États-Unis et le Canada*¹⁷⁵

*Draft Agreement for Cooperation
between United States and Canada*¹⁷⁵

SECRET

[Ottawa, n.d.]

Concerning the communication of data, as contemplated in the United States Atomic Energy Act of 1954 (hereinafter referred to as "the Act"), for the purposes of defence planning, the training of personnel in the employment of and defence against atomic weapons, and the evaluation of the capabilities of potential enemies in the employment of atomic weapons.

It being recognized that the exchange of such data between the United States and Canada is in the common defence interests of the two countries and can be undertaken without threat to the security and best interests of either.

Now therefore the United States and Canada mutually under take and agree that:

1. Subject to the terms and conditions hereof the United States will co-operate with and communicate to Canada, through channels of communication established or recognized by this agreement, Restricted Data as authorized in subsection (b) of section 144 of the Act, and data declassified or removed from the Restricted Data category pursuant to section 142 of the Act.

1st USA change is new clause similar to Clause 1 but providing for flow of data in opposite direction.

C[anadian] J[oint] S[taff] W[ashington] 1943

2nd USA change is added clause stating that final decision on transfer of US Restricted Data rests with US.

CJSW 1943

2. The Restricted Data referred to in paragraph 1 above shall be such as is necessary to the development of defence plans, the training of personnel in the employment of and defence against atomic weapons, and the evaluation of the capabilities of potential enemies in the employment of atomic weapons, to the extent permitted by the Act.

3. Without limiting the generality of paragraphs 1 and 2, the communication of Restricted Data and other data under the terms of this agreement shall include, to the

¹⁷⁴ Un accord semblable sur le partage de l'information dans le domaine de l'énergie atomique a été conclu entre les pays membres de l'OTAN le 22 juin 1955. Voir Canada, *Recueil des traités*, 1956, N° 4. A similar agreement for sharing information on atomic energy was reached between the NATO member countries on June 22, 1955. See Canada, *Treaty Series*, 1956, No. 4.

¹⁷⁵ Note marginale :/Marginal note:

Note for file: This was given to the advisory Panel on Atomic Energy by Gen. Foulkes on March 3, 1955. The original draft is Canadian. The red marginal comments relate to the changes which it is understood the U.S. intends to make to the document. W.H. B[arton]

extent permitted by the Act, the maximum possible cooperation in tests, trials, exercises, training programs, staff and operational research studies, medical and intelligence activities.

4. Canada undertakes and guarantees

(a) that the security safeguards and standards as set out herein will be maintained; *3rd USA change* requires Canada to reaffirm that established security agreements will be maintained.

CJSW 1943

(b) that any Restricted Data communicated pursuant to this agreement will not be communicated to unauthorized persons or beyond the jurisdiction of Canada except as specified herein.

Also some rewording of 4(b) to ensure that information intended only for Canada will not be released to any agency under UK jurisdiction.

CJSW 1943

5. Nothing herein shall be interpreted or operate as a bar or restriction to consultation and co-operation by the United States and Canada with the United Kingdom in all fields of defence, but Canada agrees that it will communicate Restricted Data to persons within the jurisdiction of the United Kingdom only as authorized by the United States.

This paragraph is included on the understanding that the U.S. desires such a clause.

6. Data communicated under the terms of this agreement will be transmitted through mutually agreed channels of communication.

7. Security safeguards and standards mutually agreed by the United States and Canada will be maintained.

8. This agreement shall continue in force as long as Canada is participating with the United States in a regional defence arrangement.

9. This agreement, being primarily concerned with matters set out in subsection (b) of section 144 and section 142 of the Act shall not operate as a bar to the entry into further agreements for co-operation under the Act.

10. Words and terms used in this agreement shall have the same meanings as in the Act.

THIS DRAFT HAS NOW ACQUIRED AN "ANNEX" WHICH LISTS IN GENERAL TERMS THE SUBJECTS COVERED BY THIS AGREEMENT, e.g.

(a) Characteristics, size, shape, weight, yield, etc, of "A" weapons.

(b) Configuration of aircraft to carry "A" weapons.

(c) Structural analysis and blast effects.¹⁷⁶

CJSW 1943 etc.

¹⁷⁶ Pour une ébauche de cette annexe, voir le document 453.

For a draft of this annex, see Document 453.

452.

DEA/50219-A-40

*Extrait du procès-verbal de la réunion
de la Commission consultative sur l'énergie atomique*
*Extract from Minutes of Meeting of Advisory Panel
on Atomic Energy*

SECRET

[Ottawa], March 3, 1955

Present:

Mr. R.B. Bryce, Chairman
Dr. C.J. Mackenzie
Dr. O.M. Solandt
Mr. J. Léger
Gen. C. Foulkes
Mr. W.H. Barton, Secretary

* * *

PROGRESS OF BILATERAL AGREEMENTS FOR ATOMIC ENERGY CO-OPERATION

(a) Agreement with the United States on Non-Military Aspects of Atomic Energy

8. The Secretary reported that Mr. Bennett had telephoned from Washington to say that negotiations with the United States Atomic Energy Commission on the Agreement for Co-operation on the non-military aspects of atomic energy were going very well.

9. The Panel agreed that when Mr. Bennett had a draft text with which he was satisfied it would be desirable for the Panel to discuss it with him.

(b) Agreement with the United States on the Military Aspects of Atomic Energy

10. General Foulkes informed the Panel that the draft Agreement for Co-operation which he had prepared had been given to the United States Department of Defence. Copies were referred to the members of the Panel at that time. The Chairman of the Canadian Joint Staff in Washington had learned that the United States authorities were largely in agreement with the substance of the Canadian text but were redrafting it in a form which would suit United States requirements. General Foulkes then gave the members of the Panel copies of the Canadian draft annotated with the anticipated United States changes. Once the NATO Agreement regarding the provision of atomic energy information had been considered and approved by the Joint Committee on Atomic Energy, the draft agreement with Canada would be taken under consideration. In due course it would be proposed to the Canadian Government through diplomatic channels.

11. The Panel noted the progress being made in the negotiation of the Agreement for Co-operation on the military aspects of atomic energy.

* * *

453.

DEA/50219-AK-40

*Annexe à l'Accord dans le domaine de l'utilisation
de l'énergie atomique aux fins de la défense commune*
*Annex to Agreement for the Exchange of Atomic Energy
Information for Mutual Defence Purposes*

TOP SECRET

[n.d.]

It is agreed that the types of atomic information which may be exchanged at their discretion between the Governments of the United States and Canada under the Agreement for Co-operation Regarding Atomic Information, of which this Annex is a part, will be limited to the following:

1. Effects related to yield to be expected from the detonation of atomic weapons.
2. Response of structures, equipment, and personnel to the effects of atomic weapons, including damage or casualty criteria.
3. Systems for analysis of the response of structures, equipment and personnel to the effects of atomic weapons.
4. Characteristics of atomic weapons including size, weight, shape, yields, and fuzing options.
5. The general magnitude of the number of atomic weapons, by types, yields and fuzing options which may be allocated in support of joint Canada-United States plans for the defense of North America; and the logistic aspects and storage requirements of such weapons.
6. Information regarding delivery systems, including tactics and techniques, and duties of delivery crews as regards weapons.
7. Information required to determine aircraft compatibility for atomic weapons, including instruments required for purposes of in-flight monitoring and check-out of atomic weapons.
8. Basic safety features of atomic weapons including disposal of damaged or defective weapons.
9. Training of personnel in the employment of and defense against atomic weapons. Requests for attendance of personnel at schools, exercises and tests will be processed on an individual basis.
10. Information on the capabilities of potential enemy nations for atomic warfare.
11. Information regarding civil defense against atomic attacks.
12. Information regarding military nuclear propulsion systems for ships and aircraft.
13. Information regarding military nuclear power plants.
14. Information pertaining to the adaptation of commercial reactors to military use.
15. Information, including samples, on the amount and geographical distribution of radioactive debris resulting from past and future nuclear explosions.
16. Acoustic, seismic, electromagnetic, and other geophysical data from nuclear explosions, provided they reveal only general characteristics of weapons or devices.
17. Time and locations of scheduled nuclear explosions.

Nothing in the Agreement is designed to preclude the transfer or exchange of defense information which does not come under the provisions of the United States Atomic Energy Act of 1954.

For the United States of America:

For Canada:

454.

PCO

*Extrait des conclusions du Cabinet**Extract from Cabinet Conclusions*

TOP SECRET

[Ottawa], June 2, 1955

...

V. ATOMIC ENERGY; AGREEMENT FOR COOPERATION IN CIVIL USES OF ATOMIC ENERGY; AGREEMENT FOR COOPERATION REGARDING EXCHANGE OF INFORMATION FOR MUTUAL DEFENCE

13. *The Minister of Trade and Commerce* submitted a draft agreement for cooperation between Canada and the United States concerning the civil uses of atomic energy which had been negotiated by the President of Atomic Energy of Canada, Limited, with the U.S. Atomic Energy Commission. The agreement had to be such as to comply with the U.S. statute and, at the same time, include the greatest possible element of reciprocity, particularly with respect to the limitations on fields of cooperation. The agreement would remain in effect for a period of ten years.

Article X of the agreement referred to security arrangements between the U.S. Atomic Energy Commission and the Atomic Energy Control Board of Canada. The commission and the control board would make an agreement on security standards and procedures to replace the existing arrangements regarding security.

It was noted that, under U.S. legislation, the agreement would not come into effect until it had been submitted to the joint committee of Congress and a period of 30 days had elapsed while Congress was in session. It was hoped that it would be possible to have the agreed text sent to the joint committee by June 15th, in which event it should be possible to conclude the agreement late in July.

He recommended, with the concurrence of the Secretary of State for External Affairs, that authority be granted for the entry into this agreement for cooperation with the United States concerning the civil uses of atomic energy along the lines of the draft submitted, and that the Canadian Ambassador at Washington and the President of the Atomic Energy of Canada, Limited, be authorized to sign the agreement on behalf of the Canadian government.

An explanatory memorandum had been circulated.

(Minister's memorandum, May 31, 1955 — Cab. Doc. 120-55†)

14. *The Minister of National Defence* submitted for consideration a draft agreement between the United States and Canada for cooperation regarding the exchange of atomic information for mutual defence. He recommended that this draft agreement be approved in principle on the understanding that if, during the course of negotiations, there were any changes in substance proposed to be made to the agreement, or in the secret annex defining the information to be enhanced or the collateral agreement on security† submitted as an appendix, the matter would be referred back to Cabinet for consideration.

An explanatory memorandum was circulated.

(Draft agreement between the United States and Canada for cooperation regarding atomic information — Cab. Doc. 123-55†)

15. *In the course of discussion* the following points emerged:

(a) It was not intended to make public the text of the agreement on civil uses of atomic energy. It was likely, however, that the agreement would, in time, become public, and this might cause some embarrassment as in it the U.S. had provided Canada more favourable terms than had been offered to the United Kingdom.

(b) It was noted that these draft agreements on cooperation in the exchange of atomic information were permissive only, and therefore Canada had no firm assurance that the type of atomic information which might be wanted would, in fact, be forthcoming. However, the proposed agreements would give the U.S. authorities the legal powers, which they did not possess at the present time, to pass certain information to Canada and would remove any excuse of legal or congressional obstacles to furnishing such information.

16. *The Cabinet,*

(a) authorized the conclusion of an agreement for cooperation with the United States in the civil uses of atomic energy along the lines of the draft submitted by the Minister of Trade and Commerce, and agreed that the Canadian Ambassador at Washington and the President of the Atomic Energy of Canada, Limited, be authorized to sign the agreement on behalf of the Canadian government; and,

(b) approved the entry into an agreement with the United States for cooperation in the exchange of atomic information for mutual defence, substantially along the lines submitted by the Minister of National Defence, on the understanding that the agreement would be re-submitted if any substantial modification were made in it.

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455.

PCO

*Extrait du procès-verbal de la réunion
du Comité du Cabinet sur la défense*

*Extract from Minutes of Meeting
of Cabinet Defence Committee*

TOP SECRET

[Ottawa], June 7, 1955

Present:

The Prime Minister (Mr. St-Laurent), in the Chair,
The Minister of Defence Production (Mr. Howe),
The Minister of National Defence (Mr. Campney),
The Minister of National Health and Welfare (Mr. Martin),
The Secretary of State for External Affairs (Mr. Pearson),
The Minister of Finance (Mr. Harris).
The Secretary (Mr. Martin)
The Military Secretary (Commander Solomon).
The Chairman, Chiefs of Staff (General Foulkes),
The Chief of the General Staff (Lieutenant-General Simonds),
The Chief of the Naval Staff (Vice Admiral Mainguy),
The Chief of the Air Staff (Air Marshal Slemmon),
The Chairman, Defence Research Board (Dr. Solandt).
The Secretary to the Cabinet (Mr. Bryce),
The Deputy Minister of National Defence (Mr. Drury),
The Under-Secretary of State for External Affairs (Mr. Léger),
The Deputy Minister of Defence Production (Mr. Golden),
The Assistant Deputy Minister of Finance (Mr. Deutsch).

...

VI. ATOMIC ENERGY; AGREEMENT FOR COOPERATION REGARDING EXCHANGE OF INFORMATION FOR MUTUAL DEFENCE

16. *The Chairman of the Chiefs of Staff* said he understood approval had been given to enter into an agreement with the U.S. for cooperation in the exchange of atomic information for mutual defence, substantially along the lines submitted to the Cabinet at a meeting in the previous week, on the understanding that the agreement would be resubmitted if any major modifications were made in it. He had been advised that the only probable changes of substance involved were the deletion by the U.S. of Sections 15, 16 and 17 of the annex relating to the exchange of information concerning military reactors. This was a controversial issue in the U.S. and the final decision was dependent upon a ruling from the U.S. Attorney General. Nevertheless, it was felt desirable to have the agreement without these provisions in the annex rather than no agreement at all. The U.S. were suggesting that the agreement be declassified but that the annexes remain confidential. It was considered that the agreement should not be declassified until it had received the approval of the U.S. Congressional Joint Committee on Atomic Energy thirty days after it had been laid before that committee.

17. *In the course of discussion* the following points emerged:

(a) It would be preferable not to have the draft agreement which had been initialled become public before the agreement itself had been signed. If this happened, there would be public discussion of an arrangement which had not become final and which therefore might present awkward and difficult problems.

(b) It was understood that the U.S. proposed to install a reactor in the DEW line. Canada had advised the U.S. authorities that they could not expect to do this unless it was possible to exchange the type of information referred to in Sections 15, 16 and 17 of the annex. The sort of information mentioned was covered in the civil agreement. If the Attorney General of the U.S. were to say the reactor was being used for civil purposes, the civil authorities might give this kind of information to Atomic Energy of Canada.

18. *The Committee* noted the report on the agreement for cooperation with the United States regarding exchange of atomic energy information for mutual defence, and agreed to recommend that even if the sections in the annex on exchange of information regarding military reactors were deleted, the agreement with the U.S. and the two annexes be initialled, provided there were no further changes; and that the agreement itself remain classified *Confidential* until after signature, which would presumably occur after approval by the Congressional Joint Committee on Atomic Energy thirty days hence.¹⁷⁷

...

¹⁷⁷ Voir Canada, *Recueil des traités*, 1955, N° 16. Les clauses 12, 13, et 14 dans l'annexe (document 453) ont été omises dans le texte final à la demande des États-Unis. La version finale de ce document comportait également un bref paragraphe d'introduction stipulant que « [t]he exchange of atomic information may include cooperation in tests, trials, exercises, training programs, staff and operational research studies and intelligence activities ». Au paragraphe B (4), était ajouté « ballistic accuracy, and vulnerability to natural phenomena ». Le paragraphe B (7) a été modifié de manière à inclure l'échange d'informations sur la « compatibility for atomic weapons of all delivery vehicles ... ». See Canada, *Treaty Series*, 1955, No. 16. Clauses 12, 13, and 14 in the annex (Document 453) were omitted from the final text at the request of the United States. The final version of this document also included a brief introductory paragraph which noted that "[t]he exchange of atomic information may include cooperation in tests, trials, exercises, training programs, staff and operational research studies and intelligence activities". To paragraph B (4) was added "ballistic accuracy, and vulnerability to natural phenomena". Paragraph B (7) was amended to include the exchange of information on the "compatibility for atomic weapons of all delivery vehicles..."

SECTION C

URANIUM

456.

DEA/14002-2-6-40

*Note du sous-secrétaire d'État aux Affaires extérieures
pour le secrétaire d'État aux Affaires extérieures*

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

SECRET

[Ottawa], July 20, 1955

CANADIAN URANIUM PRODUCTION

Yesterday, July 20, Mr. Barton of D.L.(1) was requested to attend the meeting called by Mr. Bennett, the President of Atomic Energy of Canada Limited. Also present at the meeting were Mr. Bryce, Mr. Deutsch and Mr. Bateman.

2. Mr. Bennett said that Mr. Howe was becoming seriously concerned about the commitments being assumed by the Canadian Government in underwriting contracts placed by the U.S. Atomic Energy Commission for uranium production in Canada. At present these commitments total about \$500 million but, due to the rapid expansion of production in the Blind River area, it is anticipated that by 1957 they will exceed \$1 billion. Mr. Howe was concerned over the possibility that the U.S. Atomic Energy Commission might, without warning, cancel these contracts in which case the Canadian Government would be seriously involved. He was considering the possibility of having the Canadian Government cease to act as middle man and instead allow the U.S. Atomic Energy Commission to negotiate directly with Canadian producers.

3. None of the officials at the meeting were in favour of this course of action. In the first place, it would put Canadian producers in the position of having to deal with a single buyer. Secondly, there would be a danger that the U.S. Atomic Energy Commission would cover future production with options to purchase which might make it difficult for the Canadian Government to arrange for exports to other countries if this should be deemed desirable. Thirdly, the Canadian Government is heavily involved in the Atomic Energy business and has established an elaborate system of controls. Under these circumstances, a decision to throw the uranium mining industry on its own would appear to be illogical and would doubtless lead to general criticism.

4. The meeting concluded that the best course of action would appear to be for Canada to continue underwriting these U.S. contracts but to tell the United States that this would only be done if agreement was given to making public the pricing formula and production figures which would enable investors to make an intelligent appraisal of the risks they were taking in developing new mines.

5. It was agreed that it would be desirable to have a meeting of the Ministers directly concerned before the matter was discussed in Cabinet. This meeting has been arranged for Friday, July 22 at 12 noon. The meeting would be attended by the Prime Minister, Mr. Howe, Mr. Harris, and you. I understand that Mr. Bryce has informed your office of the details.

J. L[ÉGER]

457.

C.D.H./Vol. 10

Note du président de l'Énergie atomique du Canada Ltée.
Memorandum by President of Atomic Energy of Canada Limited

[Ottawa, July 1955]

URANIUM PURCHASING POLICY

1. Arrangements covering the supplying of uranium to the United States were first entered into in 1942 as a result of the Government's decision to participate in the development of the atomic bomb.¹⁷⁸ Initially, the contract was between the Manhattan District U.S. Engineers and Eldorado Mining and Refining Limited, which at the time was a private company. The contractual arrangements were continued following the expropriation of the Eldorado Company by the Government. In 1946 the United States Atomic Energy Commission was established to take over the operations, including the contractual obligations, of the Manhattan District U.S. Engineers.

2. With the completion of deliveries on the last wartime contract in August, 1947, a new contract was entered into covering production from Eldorado's Port Radium property. At the same time Eldorado was requested to undertake exploration for new sources of uranium. These exploration activities resulted in the discovery of the Beaverlodge property in 1949.

3. Late in 1947, following the breakdown of discussions in the United Nations concerning the international control of atomic weapons, Eldorado was advised of the decision of the United States Atomic Energy Commission to undertake a major expansion of atomic weapon development and production. This expanded programme called for a very large increase in the requirements for uranium. It was the desire of the United States Atomic Energy Commission that these requirements should be met from U.S. and Canadian sources to the fullest extent possible. Early in 1948 discussions took place between Eldorado and the United States Atomic Energy Commission as to the best method of encouraging the investment of private funds in prospecting and development in both countries. As a result of these discussions, it was agreed that a purchasing programme would be established in Canada and in the United States.

4. On March 16th, 1948, Mr. Howe announced in the House of Commons that the Government would purchase, through Eldorado or other designated agencies, acceptable uranium-bearing ores and concentrates on the following basis:

(1) A minimum uranium content equivalent to 10 per cent by weight of uranium oxide (U_3O_8) in the ores or concentrates will normally be required.

(2) Price will be based upon the uranium content of the ores or concentrates and will be at the minimum rate of \$2.75 per pound of contained U_3O_8 f.o.b. rail and will be guaranteed for a period of five years.

3. This price includes all radioactive elements in the ores or concentrates, but consideration will be given to the commercially recoverable value of non-radioactive constituents by adjustment of price or by the redelivery of the residues containing such constituents.

¹⁷⁸ Voir volume 9, les documents 399-416.
See Volume 9, Documents 399-416.

(4) Under special circumstances, consideration may be given to payment of a higher price or to acceptance of ores or concentrates of lower grade.

(5) All operations will be carried on subject to the provisions of the Atomic Energy Regulations of Canada.

It will be noted that the purchasing policy provided for purchases of uranium concentrate at a fixed price for a guaranteed period, and that it also made provision for purchases at higher prices under special circumstances.¹⁷⁹

5. The United States Atomic Energy Commission also established a public price schedule for U.S. production, with guarantees similar to those in the Canadian schedule.

6. On January 5th, 1949, the United States Atomic Energy Commission undertook to purchase from Eldorado all production which was obtained under the public schedule. Subsequently, a quantitative limitation of 16,000,000 pounds was agreed to. The Commission also undertook to purchase any uranium which might be obtained under a special price arrangement but on the understanding that the Commission must approve the terms and conditions of each contract.

7. Both the price and the period of the guarantee have been revised from time to time. At the present time the guarantee provides for the purchase at \$7.25 per pound of all uranium contained in acceptable concentrates which is offered for delivery up to March 31st, 1962. The United States Atomic Energy Commission has amended its undertaking to cover revisions both as regards price and the period of the guaranteed market.

8. The public buying schedules in both the United States and in Canada were predicated on the mining and milling experience then available. This indicated that uranium would be produced in the form of raw ore or a low-grade concentrate. Early in 1952 it was apparent in Canada that production from the new deposits would involve the installation of large chemical processing plants, with high capital and operating costs. Because of this, it was likewise apparent that production from these operations would not be economic under the public price schedule. Accordingly, an arrangement was entered into with the United States Atomic Energy Commission on December 10th, 1953, whereby the Commission agreed to purchase any uranium which Eldorado might obtain at prices to be calculated in accordance with the following formula, but not exceeding \$12.00 per pound of contained uranium:

\$5.00 per pound of uranium contained in a high-grade concentrate plus 70% of the cost of mining and milling, this cost to include the amortization of preproduction and capital expenditures on a five-year basis.

There was no limitation as to the quantity which might be purchased at the time the arrangement was entered into. However, it was agreed that each contract must have the approval of the United States Atomic Energy Commission. Consequently, in negotiating contracts under the special price formula it has been Eldorado's practice to obtain a Letter of Intent from the United States Atomic Energy Commission prior to the execution of a contract with the producer. In each case Eldorado's contract with the producer is covered by a contract between Eldorado and the United States Atomic Energy Commission. In each case the contracts call for deliveries in a five-year period commencing from the date of production, deliveries to be completed not later than March 31st, 1962.

¹⁷⁹ Voir Canada, Chambre des Communes, *Débats*, 1948, volume 3, pp. 2352-2353.

See Canada, House of Commons, *Debates*, 1948, Volume 3, pp. 2284-2285.

9. As of this date, no uranium has been offered under the public price schedule. All contracts negotiated to date have been written in accordance with the special price formula, and it is anticipated that all future contracts will be negotiated on this basis.

10. The existing commitments are as follows:

Gunnar Mines Limited

8,100,000 pounds at \$9.50 per pound for a total of \$76,000,000

Pronto Uranium Mines Limited

5,500,000 pounds at \$10.00 per pound for a total of \$55,000,000

Algom Uranium Mines Limited

19,800,000 pounds at \$10.45 per pound for a total of \$206,000,000.

11. Eldorado has received proposals from two additional properties which, if accepted, would result in the following commitments:

Bicroft Mines Limited

32,500,000 pounds at \$11.00 per pound for a total of \$35,750,000

Consolidated Denison Mines Limited

187,000,000 pounds at \$9.60 per pound for a total of \$180,000,000.

The United States Atomic Energy Commission is prepared to purchase this production but as yet Letters of Intent have not been received.

12. As regards further production which may be offered if the present policy is continued, this is difficult to estimate accurately for the following reasons:

(a) The properties are not developed sufficiently to permit a firm estimate of grade and tonnage.

(b) Bearing in mind that it requires a period of from 18 months to 2 years to bring a property into production, any future contracts negotiated will not provide for a five-year write-off of preproduction and capital expenditures. This is likely to create problems in financing.

Taking these two factors into account, it is estimated that further production may be offered as follows:

35,650,000 pounds at an average price of \$10.00 per pound for a total of \$356,500,000.

13. The following shows a summary of existing commitments, proposals under consideration, and probable proposals, should Eldorado continue to accept production for delivery up to March 31st, 1962, under the special price formula:

Existing commitments	\$ 337,000,000
Extensions to existing commitments covering deliveries which can be made prior to March 31st, 1962	42,000,000
Proposals under consideration	215,750,000
Probable proposals	<u>\$ 405,250,000</u>
	<u>\$1,000,000,000</u>

14. As indicated in paragraph 8, no limitation as to the quantity which would be purchased under the special price formula was established when the agreement covering this type of purchase was entered into with the United States Atomic Energy Commission on December 10th, 1953. However, during the discussion of the raw materials clause in the Agreement for Co-operation between the Government of Canada and the Government of the United States it was agreed that a limitation of quantity would be established. By an exchange of letters between Eldorado and the United States Atomic Energy Commission, it

was agreed that the United States Atomic Energy Commission would purchase up to 36,000,000 pounds. This amount will be in addition to the existing commitments as set out in paragraph 10 and in addition to the 16,000,000 pound commitment as set out in paragraph 4. The amount was established on the basis of Eldorado's assessment in May, 1955, of the additional production which might be offered, if the present purchasing policy were continued. The most recent assessment of additional production which may be offered indicates a figure of 64,000,000 pounds — or an increase of 28,000,000 pounds. This revised figure was given to the United States Atomic Energy Commission during meetings held in Washington in the week of July 11th. It is expected that the United States Atomic Energy Commission will extend its undertaking to include this additional estimated production.

15. Assuming that the United States Atomic Energy Commission is prepared to purchase from Eldorado the additional production set out in the previous paragraph, and assuming that the Government of Canada approves the continuation of Eldorado's purchasing policy, it will be noted that Eldorado will have contractual obligations to purchase approximately 100,000,000 pounds at a total approximate cost of \$1,000,000,000. The amount underwritten will, of course, decrease as deliveries of concentrate are made to the United States Atomic Energy Commission approximately as follows:

January 1st, 1956	\$1,000,000,000
January 1st, 1957	\$965,000,000
January 1st, 1958	\$840,000,000
January 1st, 1959	\$635,000,000
January 1st, 1960	\$430,000,000
January 1st, 1961	\$230,000,000
January 1st, 1962	\$40,000,000
March 31st, 1962	Nil

16. It will be appreciated that the current U.S. uranium buying programme is exclusively to meet U.S. military requirements and there is at present no indication of how long the programme will be extended after March 31, 1962, or in what form. The Director of the Raw Materials Division of the United States Atomic Energy Commission has submitted to the Commission a proposal that the guarantee period for the U.S. domestic production be extended to December 31, 1963 — a further period of 21 months and that thereafter the Commission should undertake to purchase up to December 31, 1966, uranium in high grade concentrates at a fixed price of \$8.00 (Eight Dollars) per pound. These proposals are now under consideration by the United States Atomic Energy Commission. We are advised that the decision will depend on two factors as follows:

- (a) The projected requirements for military purposes beyond March 31, 1962.
- (b) The need to maintain a programme of exploration and development in the U.S., bearing in mind that the nature of existing U.S. deposits is such that a long range forecast of ore reserves is not possible.

While the Director of the Raw Materials Division of the United States Atomic Energy Commission has invited Eldorado's comment on his proposals, there is no assurance at this time that the United States Atomic Energy Commission will wish to include Canada in this arrangement, even though the arrangement may be adopted in the United States.

17. At this time it is impossible to make an accurate forecast of the probable demand for uranium for peaceful uses. The most optimistic forecast of the probable role of nuclear power in meeting future power demands in Canada indicates clearly that domestic uranium requirements will take up a very small part of the Canadian production. Consequently,

Canadian producers will have to look to export markets should the military demand cease altogether, or be cut back severely, after March 31, 1962. It is not possible to develop an estimate as to the magnitude of the export market. However, it does appear evident that this market would not be sufficient to take up the available production in the period up to 1970, unless stockpiling programmes are undertaken. We are advised that consideration is being given to stockpiling in the United States. In the event that there is over-production in the period between March 31, 1962 and 1970, it may be expected that price will be the governing factor in obtaining markets. On the basis of present information as to the cost of producing uranium in other countries it can be anticipated that those Canadian producers who have written-off pre-production and capital expenditures will be in a strong competitive position.

18. It is desirable that the Canadian uranium buying policy should be re-examined in the light of the facts set out in the foregoing paragraphs. There would appear to be two possible courses of action. These are described hereunder:

(a) *The Government of Canada, through its agent, Eldorado Mining and Refining Limited, could discontinue purchases under the special price formula.* This would limit the Eldorado commitment to those covered by existing contracts, i.e. \$337,000,000, plus the commitment to purchase any uranium that may be offered under the published price schedule up to March 31, 1962. If the Government of Canada discontinued its purchasing policy under the special price formula, it can be anticipated that the producer would be permitted to enter into sales contracts with foreign countries, subject to export control as provided in the Atomic Energy Regulations. However, it would be difficult to exercise export control in such a manner as to fulfil the obligations in the raw materials field which Canada has undertaken in the recently signed Agreement for Co-operation with the United States. These obligations provide for a continuation of the arrangements (including purchases under the special price formula) and contracts now in effect.

In considering the possible effect on Canadian relations with the United States of a discontinuation of the present purchasing policy, account must be taken of the other contractual relations which Canada has entered into with the United States Atomic Energy Commission, notably those covering the sale of plutonium and the purchase of heavy water and uranium metal. Account must also be taken of the possible effect on future arrangements which it is hoped to make under the terms of the Agreement for Co-operation, including the purchase of uranium enriched with U235, which is not produced in Canada.

In this connection it should be noted that the Agreement for Co-operation between the United States and Canada provides for a greater degree of co-operation in all fields affecting the civilian use of atomic energy, than that which is provided in Agreements with any other country.

(b) *The Government of Canada, through its agent, Eldorado Mining and Refining Limited, could continue purchases under the special price formula.* This would involve probable commitments on Eldorado's part in the approximate amount of \$1,000,000,000. In accordance with the present practice, each contract between Eldorado and a producer could be covered by a contract between Eldorado and the United States Atomic Energy Commission. The Government purchasing policy has already resulted in the creation of a large industry. Bearing in mind the uncertainty as to market conditions following March 31st, 1962, it is most desirable that the further development of this industry should be carried out in such a manner as to avoid serious dislocation in future years. If it is decided to continue the present policy, it is recommended strongly that an announcement be made — which announcement would establish the ceiling on the quantity of uranium to be purchased

under the special price formula and the date beyond which special price contracts would not be negotiated. If the Canadian Government policy of purchasing under the special price formula is discontinued, it is assumed that the United States Atomic Energy Commission will be permitted to negotiate direct with the producers. It is most unlikely that the United States Atomic Energy Commission would announce any quantitative limitation for Canadian production. On the contrary, it could be expected that the Commission would encourage a continuation of the present high rate of exploration and development in the hope that this would result in the production of low-cost uranium.

At the present time supplies of uranium for the military programme in the United States and in the United Kingdom are allocated by the Combined Development Agency, a tripartite agency on which Canada, the United States and the United Kingdom are represented. It has been agreed, in principle, that the Combined Development Agency should also assume responsibility for allocating uranium for civilian requirements, although no system of allocation has been adopted. It is obviously in Canada's interest that some part of the uranium allocated for civilian use should be supplied from Canadian production. This can only be assured if Canada retains control over uranium produced in Canada.

[W.J. BENNETT]

458.

C.D.H./Vol. 10

*Le ministre du Commerce
au président de l'Énergie atomique du Canada Ltée.*

*Minister of Trade and Commerce
to President, Atomic Energy of Canada Limited*

SECRET

[Ottawa], July 22, 1955

Dear Mr. Bennett,

The Prime Minister and a Committee of the Privy Council discussed with you this morning the subject of future purchases of uranium for U.S. delivery under the special price formula.¹⁸⁰

The decision was to accept your proposal [18] (b) as shown on pages 14 and 15 of your memorandum which was submitted to the Prime Minister.

It was however decided that an effort should be made to determine how much uranium the U.S. is willing to contract for under the special price formula. When this amount is determined, an announcement should be made of the amount, and contracts will be signed on the basis of first-come-first-served up to the stated amount.

It was decided that Canada should retain control over uranium produced in Canada until such time as the Government may decide to reverse this policy.

In the circumstances, it will be in order for you to complete contracts with Bicroft Mines Limited and with Consolidated Denison Mines Limited, following your usual practice in that regard.

Yours sincerely,
C.D. HOWE

¹⁸⁰ Aucun compte rendu de cette réunion n'a été retrouvé.
No record of this meeting was located.

459.

PCO/R-100-1-U

*Note du secrétaire du Cabinet
pour le premier ministre*
*Memorandum from Secretary to Cabinet
to Prime Minister*

CONFIDENTIAL

Ottawa, July 28, 1955

Late this afternoon, I saw Mr. Bennett of Eldorado about the uranium business which we discussed in your office late last week with Mr. Howe, Mr. Harris and Mr. Pearson. He has now concluded further discussions with the Atomic Energy Commission and is proposing to give to Mr. Howe a draft press release next Tuesday, of which I am asking my secretary to enclose a copy with this note, when Mr. Bennett has re-drafted it tomorrow following our discussions this afternoon.

The Atomic Energy Commission has agreed to accept all the contracts that can be negotiated up until March next on the basis of the estimate which Eldorado has given them of what this is likely to amount to. Consequently they are not proposing to include any specified amount that will be sold. I think this is an improvement as the amounts do not mean anything to the public. I think the proposal that Bennett is making now is sensible in this regard although it will mean a difficult job for his organization as the deadline approaches, because everyone will want to try to get in on it. It is for this reason that they are emphasizing that there must be satisfactory evidence as to tonnage, grade and costs.

They are also proposing to indicate the nature of the special price formula, but not the details. The Atomic Energy Commission would only agree to a ceiling of \$10 per pound if it were going to be announced but would go to \$11 per pound if it is to be kept confidential. We decided that it was better to get the higher ceiling in the interests of Canadian export trade and revenue where it is appropriate.

We discussed whether we should give some indication of willingness to permit other exports for civilian use when the negotiation of contracts is discontinued, but we came to the conclusion that it was better to defer any announcement of this kind until it could be thoroughly considered next fall.

This whole announcement is not in the terms that I would have written it, but I did not have the time to make any drastic revision or re-writing with Bennett, and he was prepared to accept all the points of importance that I suggested.

I spoke to Mr. Harris late this afternoon following our meeting and he is prepared to acquiesce albeit a little reluctantly in our continuing the contingent commitment that is implied in these contracts, should the U.S. government default on theirs.

I am leaving word with Mr. Bennett that Mr. Howe can get Mr. Harris in Markdale if he would like to speak to him about it, but I think you may take it that Mr. Harris is prepared to see a statement made along these lines without further action on his part. He wondered just why it was necessary for our agency to be the intermediary in this way, but I explained that we officials felt that it was worthwhile for the Canadian agency to assist the Canadian producers in negotiation with what is really the only major buyer in the whole world, and avoid having our people confront this powerful monopolist unaided.

Mr. Howe may call you next Tuesday about issuing this statement. I told Bennett that there probably would not be a Cabinet meeting until the 15th or 16th of August, but that I doubted if it was necessary to await Cabinet action on the statement if you, Mr. Harris and Mr. Pearson agreed to it being issued. The statement is really just an explanation of and

limitation on the kind of action that has been taken up to date. You will perhaps wish to have this point in mind, however, in discussing the matter with Mr. Howe should he call you on the telephone. I would think on the whole it is not desirable to delay longer in getting out a statement of this general nature.¹⁸¹

R.B. B[RYCE]

5^e PARTIE/PART 5

COMMISSION MIXTE INTERNATIONALE
INTERNATIONAL JOINT COMMISSION

SECTION A

POLLUTION TRANSFRONTALIÈRE
CROSS-BORDER POLLUTION

460.

DEA/8010-40

*Note du secrétaire d'État aux Affaires extérieures
pour le premier ministre*

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

CONFIDENTIAL

[Ottawa], March 23, 1955

POLLUTION OF BOUNDARY WATERS

You will recall that because certain municipalities in Ontario have taken no corrective measures to eliminate municipal sources of pollution in boundary waters you wrote to Premier Frost on November 10, 1954 [sic],¹⁸² to ask for information as to what steps are being taken by the Province for the abatement of this pollution. Attached is a copy of Premier Frost's reply dated December 23, 1954¹⁸³ to which you sent an interim acknowledgement on January 3, 1955.†

In view of the stand taken by Premier Frost in this matter it would appear that another letter to him is necessary to ascertain more precisely what steps the Province, in conjunction with the municipalities, is taking for the abatement of the pollution of boundary waters from municipal sources. Discussions between the Departments concerned (Finance, National Health and Welfare, Northern Affairs and National Resources and External Affairs) have now resulted in agreement on the substance of the attached letter to Premier Frost which is submitted for your signature if you approve.

This second letter to Premier Frost retains much of the conciliatory tone of the first approach because it is hoped that the Province of Ontario may yet be persuaded to take action to compel the municipalities to build the necessary sewage treatment plants. Should

¹⁸¹ Pour un compte rendu sur la déclaration de Howe, voir *Montreal Gazette*, August 4, 1955. Voir aussi Canada, Chambre des Communes, *Débats*, 1956, volume 2, pp. 1793-1794.

For a report on Howe's statement, see *Montreal Gazette*, August 4, 1955. See also Canada, House of Commons, *Debates*, 1956, Volume 2, pp. 1739-1740.

¹⁸² Voir/See Volume 20, Document 610.

¹⁸³ Voir/See Volume 20, Document 611.

Premier Frost again give an inconclusive reply, the Canadian Government will then be faced with a serious and complicated problem.

L.B. PEARSON

[PIÈCE JOINTE/ENCLOSURE]

*Le premier ministre
au premier ministre de l'Ontario*

*Prime Minister
to Premier of Ontario*

[Ottawa], March 24, 1955

My dear Premier,

I refer to my letter of January 3, 1955 in which I mentioned that your letter of December 23, 1954 on the subject of the pollution of boundary waters would be discussed with my colleagues and appropriate officials.

I wish to thank you for the information you have provided concerning progress made in your Province in the treatment of municipal sewage and wastes and in the treatment of industrial wastes. The latter seems to be well in hand. However, there is urgent need to find a solution to the problem of the treatment of municipal sewage and wastes.

The Canadian Government is at this time particularly concerned with the pollution of boundary waters and it is gratifying to note, therefore, that your Government recognizes both the gravity of the pollution problem in boundary waters and the necessity of finding a complete solution to this question. I am pleased to see that your Government has advised the municipalities concerned that it is imperative for remedial measures to be adopted. The importance of completing plans and undertaking construction of the necessary works with the minimum of delay cannot be too strongly stressed because the continued discharge of raw sewage into boundary waters may constitute, at any given moment, a violation by Canada of the Boundary Waters Treaty of 1909. Such a violation would raise questions of considerable importance which would have to be resolved between the Federal and Ontario Governments and the municipalities or persons concerned.

After careful consideration the Canadian Government has come to the conclusion that the abatement of pollution in boundary waters cannot usefully be considered within the context of federal-provincial fiscal arrangements. It is true, of course, that expenditure on the abatement of pollution — like expenditure on any other municipal service — must impinge in some fashion upon the complex of municipal or provincial-municipal finance. But the pollution with which we are here concerned is confined to a small number of places and could be corrected by the expenditure of sums which are relatively small in provincial terms although they may be significant in the case of individual municipalities. It should be added, too, that the Canadian Government does not consider that in equity it can undertake to subsidize the construction of essential sewage disposal plants in municipalities situated on boundary waters when, for a number of reasons, similar treatment could not be extended to communities elsewhere in the country.

There is an urgent necessity to find a solution to boundary waters pollution, and the prime responsibility for finding the solution rests, we believe, with the Province of Ontario and the municipalities. I would be most grateful to know what specific steps your Government is taking, in conjunction with the municipalities bordering the connecting channels of

the Great Lakes, for the abatement of the pollution of boundary waters through municipal sewage and waste.

Yours sincerely,

LOUIS S. ST. LAURENT

461.

DEA/8010-40

*Le premier ministre de l'Ontario
au premier ministre
Premier of Ontario
to Prime Minister*

[Toronto], May 24, 1955

Dear Mr. St. Laurent,

With reference to your letter of March 24, 1955 dealing with the pollution of boundary waters, we have been giving this complex problem a great deal of consideration.

The municipalities have been advised that remedial measures must be taken to minimize pollution. Many of them have had detailed engineering plans prepared, and others have them in the course of preparation. The problem, of course, extends far beyond those municipalities located on the international boundary waters. It includes many of the communities inland. For instance, representatives of the Government have recently had discussions with the communities in the Grand River Watershed, and it is expected that plans will be brought into operation providing for more complete sewage treatment. Our officials are constantly pointing out to the municipalities concerned the need for full treatment sanitation. As a result of these efforts, many of these municipalities are facing up more realistically to requirements.

While the larger urban municipalities located on the boundary waters present the most obvious points for the adoption of remedial measures, it must be recognized that the pollution which ultimately finds its way into the Great Lakes has its origin in widely scattered sources, and it would not be satisfactory, nor would it be equitable to the municipalities, for the Province to provide remedial measures in some communities and not for communities elsewhere in the Province where the need may also be urgent. For this reason, and also because one of the biggest causes of pollution is industrial waste, we regret that you have concluded that the abatement of pollution cannot be considered within the purview of Federal-Provincial fiscal arrangements. We, however, recognize the seriousness of the problem, and we will do what is feasible to bring about an abatement of this problem.

Yours sincerely,

LESLIE M. FROST

462.

DEA/8010-40

*Note du sous-secrétaire d'État aux Affaires extérieures
pour le premier ministre*

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

CONFIDENTIAL

[Ottawa], October 20, 1955

POLLUTION OF BOUNDARY WATERS

The International Joint Commission held its semi-annual meeting in Ottawa on October 4-7, 1955. One of the items on the agenda was the question of the pollution of boundary waters. During the meeting devoted to this question the representatives of the State of Michigan made representations to the Commission stressing the failure of the Municipality of Sault Ste. Marie, Ontario, to take any action whatsoever to abate the pollution of boundary waters. The representatives of the State of Michigan concluded their remarks by requesting the Canadian authorities to give some sort of assurance that something would be done in Canada to abate the pollution of boundary waters by municipalities.

Mr. Wershof, Counsel for Canada at these meetings, undertook to bring this matter to the attention of the Canadian authorities. In consequence, a letter has been sent to the Chairman of the Interdepartmental Committee on Water Use Policy, requesting that consideration be given to this serious question.

By accepting the recommendation of the International Joint Commission of October 11, 1950 on the pollution of boundary waters, the Canadian Government by implication undertook to see that some steps were taken to improve the situation.¹⁸⁴ Although the question has been referred to the Province of Ontario and the municipalities concerned, neither the provincial nor municipal authorities have so far been willing to make the necessary outlay for treating or processing sewage.¹⁸⁵

J. L[ÉGER]

463.

DEA/11839-A-40

*Extrait du procès-verbal de la réunion
du Comité consultatif sur la politique relative
à l'utilisation de l'eau*

*Extract from Minutes of Meeting
of Advisory Committee on Water Uses Policy*

CONFIDENTIAL

[Ottawa], November 8, 1955

. . .

WATER POLLUTION IN CANADA

3. In introducing the first item on the agenda, *the Chairman* referred to documents of which members had received copies: the letter of October 20† to him from the Under-Secretary of State for External Affairs requesting that the Committee consider the problem

¹⁸⁴ Voir/See Volume 17, Document 855.

¹⁸⁵ Note marginale :/Marginal note:

Mr Wershof might see that a memorandum is prepared for Cabinet. L. St. L[aurant]

of the pollution of boundary waters, and the memorandum of October 24† prepared by the Committee Secretariat on water pollution in Canada. The responsibility of the federal government respecting water pollution was put in question from time to time; it had been raised in the past year, for example, in connection with the pollution of the interprovincial North Saskatchewan River.

4. *Dr. Cameron* said that, in its general responsibility concerning water pollution, the Department of National Health and Welfare had had a recent experience in dealing with the pollution of the North Saskatchewan River. The pollution originating in Alberta from the raw untreated sewage of the city of Edmonton and from the industrial wastes of oil refineries and a large new petrochemicals plant endangered health not only in Alberta but in the other prairie provinces. The assistance of National Health and Welfare and of the western office of the National Research Council had been enlisted and consequent investigation and research had led to action which had substantially reduced the pollution created by industrial wastes. A meeting at which representatives from the governments of the three prairie provinces, with the Minister of Justice (Mr. Garson) attending, considered the problem of the pollution along this river, but no tangible results followed. The North Saskatchewan exemplified the need for a firm and fair method of dealing with the dangers presented by river pollution. In subsequent discussion, it did not appear that there exists an effective remedy at law respecting the pollution of an interprovincial river.

5. On the pollution of boundary waters, *General McNaughton* recounted the procedure whereby the International Joint Commission had formulated its "objectives for Boundary Waters Quality Control", which had been approved by the governments of Canada and the United States as the criteria to be applied under Article IV of the Boundary Waters Treaty of 1909, by which the two governments had agreed that boundary waters "shall not be polluted on either side to the injury of health and property on the other". To the Canadian Section of the I.J.C. the continuing pollution on the Canadian side of certain boundary waters had become the source of keen and growing embarrassment. The U.S. Section of the I.J.C. and certain states (notably Michigan and New York) which had endorsed the I.J.C. objectives in full, regarded these objectives as the subject of "international agreement" between the two countries. This view the Canadian Section naturally resisted but not without some discomfiture. General McNaughton had twice reported to the Prime Minister. The problem had now become an acute international issue. Both New York and Michigan were tackling the pollution problem as best they could, were exerting pressure on their municipalities, and were endeavouring (particularly Michigan) to devise entrance into Canadian courts. At present the dispute centred upon the sewage from five Canadian municipalities. The need for arranging means for remedial measures and instituting them was urgent. Having no policing powers, the I.J.C. was limited to persuasion, which with the cooperation of industry had proven so effective as almost to eliminate the industrial pollution of boundary waters.

6. *Mr. Wershof* said that External Affairs, whose interest in the problem of water pollution was confined to its international aspects, viewed Canada's present position before the I.J.C. as most embarrassing. Despite approval of the I.J.C.'s recommendations by the federal and Ontario governments, no federal action, apart from sending letters to the Premier of Ontario, had been taken. The need for action in boundary waters was acute, either alone or as part of a broad national policy. In the context of the boundary waters problem considered by itself there were four courses open to the federal government. First, it could argue that Canada's is a federal system, that persuasion was accordingly the only course open to it, and that it had taken that course. Second, it could adopt the view that the \$24 millions required to end the pollution of boundary waters by municipal sewage might be advanced

to the municipalities involved for the sake of Canada-U.S. relations. Or third, as a step intermediate between the first two, it could propose to the Ontario Government that the three levels of government — federal, provincial and municipal — each bear one-third of the cost of solving this international problem. Finally, there existed the possibility, if only remote, that the federal government could compel the municipalities concerned to install sewage disposal plants.

7. *The Committee agreed* that a comprehensive opinion should be sought from the Department of Justice on the powers of the federal government to compel action on water pollution by provinces and municipalities. To this end, the Committee Secretariat is to obtain from the Department of National Health and Welfare the opinions, limited in scope, which that department had already secured from Justice on this subject, and circulate them to members for their recommendations as to additional questions. Once a full list has been prepared, the Committee, or its Chairman, will submit these questions to the Department of Justice. On the subject of federal powers, it was political grounds, to seek to coerce other levels of government.

8. In order primarily that the Committee might ascertain the significance for the boundary waters problem of the long-range program which the Government of Ontario is understood to have instituted for the abatement of the municipal sewage problem in that province, the Department of National Health and Welfare will prepare for the Committee a memorandum in which the position of border municipalities under that program will be set out separately.

9. *The Committee then discussed* the boundary waters problem in the context of the broader problem presented by the pollution of Canadian waters generally. The dimensions of this broader problem were suggested by the estimate that an expenditure of \$300-400 millions would be required to eliminate the sewage pollution which needed treatment now. It was noted that responsibility for sewage disposal rested with the provinces and was a primary charge of municipalities. It is important to examine thoroughly the question whether federal assistance, if granted, should be on a narrow or broad basis. Limited to international rivers, such assistance might be said to be discriminatory and directed to abating the menace to the health of non-Canadians. The suggestion was also made that federal aid to the "rich" province of Ontario, in which the offending boundary municipalities lie, would be open to serious question unless such aid were only part of a broad program of federal assistance. Were both international and interprovincial rivers the object of federal aid, the political weakness would be that three provinces — Newfoundland, Nova Scotia and Prince Edward Island — would gain nothing from such a program. Applied to boundary waters, these considerations suggested that the justification for any federal participation would have to derive from the obligation resting upon the federal government from its international commitments.

10. As to the form which federal aid might take, whether limited to boundary waters or granted more generally, several views were expressed, particularly as to the effectiveness of conditional grants. In their favour the progress made under the hospital building program was cited, and it was also said that such grants had been shown to be next in effectiveness to compulsion. On the other hand, it was said that the trend was away from conditional grants, that the Trans-Canada Highway exemplified how relatively unsuccessful they could be, and that in general the heavy demands on provincial funds limited their potential effectiveness. The question was raised whether the problem of water pollution in Canada might be dealt with under an expanded Water Conservation Act or under other federal legislation, with the objective of conserving a natural resources, clean water. It was

also suggested that were federal participation to be recommended, a step-by-step approach should be adopted.

11. *Mr. Wershof* said that the Prime Minister had asked the Department of External Affairs to prepare for Cabinet a memorandum on boundary waters pollution. This would be an interim report which would include due reference to the Committee's study of this problem.

12. *The Committee agreed* that the Department of External Affairs should prepare this report. *The Chairman* requested, however, that it be circulated to the bodies most interested in boundary waters pollution: National Health and Welfare, Northern Affairs and National Resources, Finance, Agriculture, the Cabinet Secretariat, the I.J.C. *The Chairman* noted the importance of having Cabinet guidance on the subject of federal responsibility for international waters and for water pollution in general. *Dr. Cameron* undertook to have a companion memorandum prepared in National Health and Welfare on the problem of water pollution in Canada. This would classify the waters concerned according to their being boundary, interprovincial, or other waters, and would show the costs of remedial measures. This memorandum would be sent to *Mr. Côté* for circulation.

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SECTION B

LE BASSIN DE LA RIVIÈRE ST. CROIX ST. CROIX RIVER BASIN

464.

PCO

Note du secrétaire d'État aux Affaires extérieures pour le Cabinet

Memorandum from Secretary of State for External Affairs to Cabinet

CABINET DOCUMENT NO. 116-55

[Ottawa], May 25, 1955

CONFIDENTIAL

PROPOSED REFERENCE TO THE INTERNATIONAL JOINT COMMISSION ON THE ST. CROIX RIVER BASIN

On May 6, 1954 the Premier of New Brunswick wrote to the Secretary of State for External Affairs asking for advice and assistance in the preparation and submission of a Reference to the International Joint Commission on the water resources of the St. Croix River basin. In reply the Premier was informed that the Department of External Affairs, in conjunction with other interested Departments, would undertake a study of the proposed Reference and that federal officials would be glad to consult with New Brunswick officials in drafting a Reference for consideration of the Canadian Government.

2. The Premier of New Brunswick was also informed that it is customary to discuss proposed References to the International Joint Commission with the United States Government, after their general terms have been agreed upon by the various Canadian interests involved, with a view to having the two Governments submit References jointly to the Commission. With this object in mind, officials of the Departments concerned and of the Canadian Section of the International Joint Commission met with representatives of the

Province of New Brunswick in Ottawa on September 17, 1954 and agreed on the general terms of the text of a draft Reference on the St. Croix River basin.

3. Informal discussions were then initiated with officials of the State Department and after considerable delay the various interested agencies in the United States have now accepted the draft Reference proposed by Canada. If this draft Reference meets with the approval of the Canadian Government, the Department of External Affairs will request the Government of the United States to join in the proposed Reference to the International Joint Commission.

Recommendation

4. The Secretary of State for External Affairs, with the concurrence of the Ministers of Finance, Public Works, Fisheries, Trade and Commerce, and Northern Affairs and National Resources, recommends that a joint Reference to the International Joint Commission along the lines of the draft attached as Appendix A be approved.¹⁸⁶

L.B. PEARSON

[PIÈCE JOINTE/ENCLOSURE]

Appendice A

Appendix A

PROPOSED REFERENCE TO THE I.J.C. — ST. CROIX RIVER BASIN

In order to determine whether greater use than is now being made of the waters of the St. Croix River Basin would be feasible and advantageous, the Governments of the United States of America and Canada have agreed to refer the matter to the International Joint Commission for investigation and report pursuant to Article IX of the Treaty concerning Boundary Waters between the United States and Canada, signed January 11, 1909.

2. Having regard to the legal, engineering and economic aspects of the matter, it is desired that the Commission shall, after making the necessary preliminary investigations, indicate whether, in its judgment, further development of the water resources of the St. Croix River Basin would be practicable and in the public interest from the point of view of the two Governments and which projects would seem to warrant further detailed study.

3. In making its report the Commission should indicate:

- (a) what projects or regimens should be further considered to improve the use, conservation and regulation of the waters of the Basin, taking into account the previous actions of the Commission as well as the present and future interests of both countries in the Basin;
- (b) how the interests on either side of the Boundary would be benefited or adversely affected by any of the projects or regimens so indicated;
- (c) the order of magnitude of costs of the indicated projects or regimens, including indemnification for damage to public and private property;
- (d) how the costs mentioned in (c) should be apportioned.

4. In the conduct of its investigations and otherwise in the performance of its duties under this Reference, the Commission may utilize the services of engineers and other spe-

¹⁸⁶ Approuvée par le Cabinet le 26 mai 1955 et soumise à la Commission mixte internationale par les gouvernements du Canada et des États-Unis le 10 juin 1955.

Approved by Cabinet on May 26, 1955 and submitted by the governments of Canada and the United States to the International Joint Commission on June 10, 1955.

cially qualified personnel of the technical agencies of Canada and the United States and will, so far as possible, make use of information and technical data heretofore acquired or which may become available during the course of the investigation.

SECTION C

LES NIVEAUX D'EAU DU LAC ONTARIO
LAKE ONTARIO LEVELS

465.

DEA/1760-A-40

*Note du sous-secrétaire d'État aux Affaires extérieures
pour le secrétaire d'État aux Affaires extérieures*

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

CONFIDENTIAL

[Ottawa], March 10, 1955

LEVELS OF LAKE ONTARIO

The troublesome problem of the levels of Lake Ontario is almost certain to come to the forefront of the news during the next few weeks. Because of the publicity put forward by the (U.S. and Canadian) Lake Ontario Beach Protective Associations and the *Globe and Mail*, the Governments of the United States and Canada will be the object of pressure and criticism as regards Lake Ontario levels.

2. The Great Lakes are, as you know, subject to cyclical fluctuations of water level. We know that, since 1860, the level of Lake Ontario has ranged from about 242.7 feet above mean sea level to about 249.2 feet. The highest levels reached were in 1870 and 1952. Though the range of elevations over the *cyclical* period of 95 years has been about 6 feet (excluding the effect of wind or barometric pressures which sometimes add two or more feet for brief periods), the *annual* fluctuation of range has never exceeded 4 feet though it has often varied between 2 and 3 feet.

3. The range of levels of the Great Lakes depends on flows into and out of the Basin. An inflow at the upper end may take several years before its full effect is felt at the lower end. Apart from some minimal control of *inflow* at Sault Ste. Marie (under I.J.C. supervision) the only way man can affect the levels of Lake Ontario is by increasing the potential *out-flow* through the St. Lawrence River, i.e. at the International Rapids Section.

4. The proposed channel excavations in this Section will eliminate some underwater obstacles (such as parts of rock ledges which create rapids) which, naturally, impede the free flow of water. Coupled with the hydroelectric and control dams, it will become theoretically possible to lower the level of Lake Ontario by passing through these dams *twice* the otherwise natural output of the St. Lawrence at that point. While the output can be increased there, it should not take place, for example, during the spring freshets of the Ottawa River. Such a conjuncture of events would inevitably flood Montreal.

5. Under the Lake Ontario Reference of 1952, the I.J.C. is trying to see what, if anything, can be done to ameliorate the range of levels on Lake Ontario so as to benefit lakeshore owners.¹⁸⁷ With the construction of the St. Lawrence Project, the power and seaway entities

¹⁸⁷ Voir/See Volume 18, Documents 849-853.

must know soon to what *low* level the I.J.C. Board of Control will allow the River level to drop in the International Rapids Section. This level is dependent not only on the Lake Ontario range of levels to be selected by the I.J.C. but also on the Method of Regulation of the waters in the International Rapids Section. Such a Method of Regulation must be so cast as *not* to flood downstream communities, maintain a reasonable level and velocity of water for navigation purposes, assure a satisfactory regimen for the production of hydro power, be sufficiently high to allow domestic water pumpage and sewage and be sufficiently low to protect the landowners on the foreshore of Lake Ontario and the St. Lawrence River.

6. The wisdom of Solomon will be required to satisfy all interests. The I.J.C. will probably *suggest* a range of levels for Lake Ontario on March 15, 1955. Thereafter, it will be up to the United States and Canadian Governments to *decide* what that range shall be.

7. The experts of the I.J.C. are likely to suggest that the I.J.C. accept for Lake Ontario one of the three following ranges:

- (a) 243 to 247 feet
- (b) 244 to 248 feet
- (c) 244 to 248.9 feet.

8. Technically, I understand that, because of the uncertainty of inflow into the Basin, it will be impossible to *guarantee* that a given range would not be exceeded. In the present state of development of hydrology applied to the Great Lakes Basin, it is said to be impossible to devise a Method of Regulation which will maintain a range within narrower limits than 4 feet. Accordingly, a range could theoretically be selected from between 242 feet and four feet or so above this scale for any number of combinations such as 242-246, 243-247, 244-248. Any Method of Regulation would be designed so that the maximum and minimum would NOT be reached more often per cyclical period than has hitherto been the experience in a "state of nature".

9. The Boundary Waters Treaty of 1909 fixes the following order of precedence in the use of boundary waters:

- (a) domestic and sanitary purposes;
- (b) navigation;
- (c) power and irrigation.

These provisions are not to disturb the existing uses of boundary waters. For domestic, sanitary, navigation and hydro purposes, a low limit of 242 (with its corresponding high of 246) is out of the question, though landowners would welcome a corresponding high of 246. A low limit of 243 is said to be too low for navigation purposes and not favoured by power interests though it might be acceptable from the landowners' viewpoint because of the reduced maximum of 247. From the viewpoint of navigation and power, a lower limit of 244 is probably close to ideal. But it does mean a maximum of at least 248 feet. The flood level for Lake Ontario is said to be 248.1 and was exceeded 18 times in the past 95 years. On the other hand, water went below the minimum of 244 feet only 8 times in that period — of which only 4 were during the navigation period.

10. The landowners have vociferously requested that Lake Ontario be kept within a range of 244 to 246 or 247 feet. They will be sorely disappointed if the I.J.C. recommends a range (as I believe it will) between 244 and 248 or possibly 248.3 feet (the maximum NOT to be exceeded more often than in a "state of nature"). If the I.J.C. makes such a recommendation, the Government will probably be bound to accept it.

11. If the Governments were to insist on a minimum of 243 feet, the cost of additional dredging in the International Rapids Section would be at least \$15 million, not to speak of the cost of other works and the loss in hydro potential. (On reading the Department of Transport's brief to the I.J.C., I doubt that Mr. Marler would agree to anything but 244 feet. For that matter, Mr. Howe is likely to take the same view.)

12. In these circumstances, the Governments — directly and with the assistance of the technical experts and the I.J.C. — will have to put the case to the landowners. This will probably be attempted, in part, at public hearings to be held in Rochester, N.Y. and Hamilton probably towards March 31. Government representatives will have to say that the maximum levels will *not* be reached more often than in a state of nature; that there will be some improvement as the top levels above 248 feet and the bottom levels below 244 feet will be eliminated and that the Commission will keep a vigilant eye on future developments.

13. There is very likelihood that questions will be asked in Parliament either relating the problem to the I.J.C. or to the domestic situation. In the latter case, the responsibility for a reply may be Mr. Marler's or Mr. Lesage's rather than yours.¹⁸⁸

R.A. M[ACKAY]
for Under-Secretary of State
for External Affairs

466.

DEA/1760-A-40

*Note du sous-secrétaire d'État aux Affaires extérieures
pour le secrétaire d'État aux Affaires extérieures*

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

CONFIDENTIAL

[Ottawa], April 21, 1955

LAKE ONTARIO LEVELS

A small but important crisis is developing in the International Joint Commission on the subject of the levels of Lake Ontario. If it is solved in the manner proposed by the United States section of the I.J.C., the cost of the St. Lawrence Project may be enhanced by about \$50 million and its completion may be delayed materially.

2. You will recall that the Commission had tentatively agreed on March 16, 1955 that the range of levels of Lake Ontario should be between 244 and 248 feet above mean sea level and had so informed the two governments. The Commission held public hearings in Rochester and Toronto on April 12 and 14 and heard many arguments from lakeshore owners directed towards reducing the maximum level to 246 or to 247 feet. There were submitted also a number of briefs advocating ranges of levels between 244 and 248.5 feet.

3. On April 20, 1955, General McNaughton received a telegram† from the Chairman of the U.S. section of the International Joint Commission, Governor Jordan, saying that after a review of all the evidence, the United States section had concluded *tentatively* that a new method of regulation should be based on levels between 243 and 247 feet. Governor Jordan suggested a meeting in Toronto to discuss this matter and an apportionment of costs.

¹⁸⁸ Note marginale :/Marginal note:

This is going to be a difficult, controversial and explosive matter L.B. Pearson]

4. General McNaughton is preparing to reply that, reviewing all evidence at the public hearings and otherwise, nothing has changed his opinion that the elevation of Lake Ontario should be held between 244 and 248 feet, except possibly that the intensity of some maximum peak levels might be reduced. The Head of the American Division urged General McNaughton *not* to say that Canada would consider maintaining levels at 243-247 feet *only* if no costs were attributable to Canada (because of Canada's monetary contributions under the St. Lawrence Order.) Rather, he urged General McNaughton to accept to discuss these matters, say, on May 3 and to suggest that the Americans provide the necessary data (based on the last 93 years' experience) to establish what would be the engineering and economic implications of maintaining Lake Ontario at a range of 243-247 feet. General McNaughton is disposed to adopt this attitude.

5. At first sight it appears that the *added* costs of such a lower range of lake levels for works in the International Rapids Section would be of the order of at least \$47 million. There is, however, some doubt that it would be possible to achieve this lowered level without even greater costs due to the natural controlling barrier at Lachine Rapids and the necessity of making much greater channel enlargements at and below Montreal. As you appreciate, an increase in the discharge of the large Lake Ontario basin cannot be carried through the Rapids and the small and shallow "saucer" of Lakes St. Louis and St. Francis without enlarged channel outlets which could prevent the flooding of Montreal or without carrying the level of Lake St. Louis through to Montreal Harbour between high dykes as was originally planned in 1942 under the combined power and navigation proposals.

6. General McNaughton is likely to accept an I.J.C. discussion on this matter on May 3 or 4. Accordingly, the views of your colleagues should be ascertained soon in order that the Government's position may be put authoritatively before the I.J.C. by Counsel for Canada at the time of this meeting.

7. I therefore submit for your signature a letter† to your three remaining colleagues on the St. Lawrence Cabinet sub-Committee (Mr. Howe being absent) and a letter† to Mr. Chevrier, asking for their views at their early convenience.

8. Because of the lack of time and of the vital interests involved both in Quebec and Ontario, it seems important that the views of these provinces should be ascertained. I have accordingly prepared for your signature, if you agree, the attached letters† to the Premiers of these provinces. It might be useful for you and Mr. Marler to discuss this matter informally with Premiers Duplessis and Frost toward the end of the Federal-Provincial preliminary meetings on April 28 in Ottawa.

9. I am not certain whether the United States Section's proposal is made with a tactical end in mind such as to have available a rejection of the proposal by Canada to oppose to a Congressional request for levels not higher than 247 feet. It is quite possible, nevertheless, that such a proposal is to be recommended as an alternative course for the consideration of governments. It is improbable that the Administration is aware yet of this latest proposal. I am having enquiries made immediately in the State Department. If the United States Section's request has the Administration's backing, we should learn its reasons which must be compelling to accept at least half of an added \$47 million burden and the delay involved in completing the Project. If the Administration's views are not formulated, our enquiries may cause them to be prepared in ten days' time. My belief is that the onus of rejecting a level of 243-247 feet should not be placed solely on Canada. Though Quebec has a preponderant interest in ensuring that lower Montreal is not flooded out, the interests of Ontario

Hydro and of the Canadian Seaway Authority are surely matched by those of New York State Power and of the United States Seaway Corporation.

J. L[ÉGER]

467.

DEA/1760-A-40

*Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis*

*Secretary of State for External Affairs
to Ambassador in United States*

TELEGRAM EX-732

Ottawa, April 21, 1955

CONFIDENTIAL. IMMEDIATE.

LAKE ONTARIO LEVELS

On April 20, the Chairman of the U.S. Section of the I.J.C., Governor Jordan, informed General McNaughton that his section had now tentatively concluded that on completion of the St. Lawrence Project the levels of Lake Ontario should be kept at between 243 and 247 feet. Governor Jordan requested an early meeting of the Commission in Toronto to consider this matter and a possible apportionment of costs. General McNaughton proposes to agree to a meeting which would be held during the first days of May.

2. We are naturally considering actively what attitude Canada — federally and provincially — should take in this matter. Though Quebec has a preponderant interest in ensuring that such a new proposal will not result in a flooding of lower Montreal and that its hydro potential is not adversely affected in a serious way, the interests of Ontario Hydro and of the Canadian Seaway Authority are matched by those of the Power Authority of the State of New York and the U.S. Seaway Corporation. If the levels are maintained at 243-247 feet, rough estimates of the increased capitalized cost of the St. Lawrence Project in the International Rapids Section due to increased channel excavations and for harbour facilities as well as for power losses has been put at \$47 million. A lowering of levels to 243 feet would mean redesigning channel excavations and — in all likelihood — a material delay in the completion of the St. Lawrence Project.

3. We are undecided as to the backing which the U.S. Section has for making such a proposal and the purpose for which it is made. If the Administration supports the proposal, it must have serious reasons for doing so because it would presumably cost the U.S.A. at least half of the increased cost of \$50 million and delay the completion of the Project. It might also reflect, in a measure, the weight of the public and congressional pressure. On the other hand, the Administration (in its principal ramifications) may not know of this new proposal by Governor Jordan and his colleagues. Because of the growing pressure generated by Lakeshore owners on Congress and because of earth-tilt which — in 100 years — will effectively remove one foot from the channel depth at Galops Rapids and concurrently spread more of Lake Ontario inland on the Southern shore, Governor Jordan and his colleagues may consider that it is better to deepen the channels now and to hold the levels between 243 and 247 feet. At first glance, it is not clear why today's generation should pay at once the costs which should normally be borne by succeeding generations.

4. Bearing in mind, however, that no new facts were revealed by the public hearings at Rochester and Toronto on April 12 and 14 to change the basic data on which the Commission tentatively agreed to levels of 244-248 feet, it is hard to understand this latest propo-

sal. The more so that it was appreciated in January by the entire Commission that a decision had to be taken by May 1, that once a tentative decision was taken by mid-March, plans could be worded on *one* range of levels but thereafter the point of no return would have been practically passed. In mid-March the range of 244-248 was tentatively selected. An unduly suspicious mind might imagine that by putting this new proposal to the Canadian Section, the reaction would be both immediate and negative. Hence, a meeting in Toronto (on the Ontario Hydro home ground) would neatly direct the public opprobrium of landowners against hydro interests and would afford the U.S. Section a strong answer to Congressional pressures for a 247 maximum: Canada would not have it and Congress cannot compel the I.J.C. to achieve such a maximum by legislation!

5. Casting aside such unworthy suspicions, it would be extremely desirable to know soon and authoritatively what are the views of the United States Administration on the following points:

- (a) Is it aware of this new proposal of the U.S. Section of the I.J.C.?
- (b) Is it prepared to accept the delay consequent upon re-designing channel enlargements for the new depths?
- (c) What are its views on the apportionments of the added cost of about \$50 millions? (Incidentally, we believe a good case can be made for Canada being relieved of any such added costs.)
- (d) Is the U.S. Seaway Corporation agreeable to levels being fixed now at 243 to 247 feet in view of the contracts already let?
- (e) To what extent has congressional pressure built up regarding the levels of Lake Ontario?
- (f) What attitude may we anticipate the U.S. Administration will take at the proposed I.J.C. meeting? (You can already guess what the Canadian attitude will be: it might be useful to stress to the State Department the parallelism between the Ontario Hydro and New York Hydro interests as well as between the federal seaway interests.)

6. Please ascertain discreetly what attitude the Power Authority of the State of New York will take. We consider tentatively that it may be useful to have the revue of the meeting at Buffalo rather than at Toronto.

7. I realize it will not be possible for you to get answers to all these questions at once. There remains, however, only a working week or so before the projected meeting. Hence the desirability, if the Administration's views have been formulated, of learning of them soon; if the Administration is relatively unaware of these proposals by the U.S. Section of the I.J.C., it may be useful to "build a fire" under the State Department, the Seaway Corporation and New York Hydro. Ends.

468.

DEA/1760-A-40

*L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures*
*Ambassador in United States
to Secretary of State for External Affairs*

TELEGRAM WA-667

Washington, April 27, 1955

CONFIDENTIAL. IMMEDIATE.

Reference: Your EX-732 of April 21.

LAKE ONTARIO LEVELS

We called at the State Department late on Friday, April 22, to put to them the question contained in paragraph 5 of your telegram under reference. In the absence of Outerbridge Horsey, who is on leave, we spoke to Robert Minor and George Vest.

2. We began by saying that we had been informed by the authorities in Ottawa that Governor Jordan, Chairman of the United States Section of the International Joint Commission, had requested an early meeting of the Commission to re-consider the question of the levels of Lake Ontario. We recalled that at the IJC meeting in Montreal in mid-March, it had been tentatively agreed by both sections of the Commission that the waters of Lake Ontario should be controlled at levels between 244 ft. and 248 ft. The Canadian authorities, we said, were concerned that the United States section should now wish to diverge from that tentative decision. We pointed out that in examining Governor Jordan's proposal, the Canadian authorities would have to take into account the loss of power that would be involved, the possibility of flooding in lower Montreal and the potential hydro developments below the International Section of the St. Lawrence River. We said also that in the view of the Canadian authorities, the proposal to control the levels of Lake Ontario at between 243 ft. and 247 ft. would mean that the deeper channel excavations would have to be re-designed and that the costs of the St. Lawrence projects would be increased substantially, possibly by some \$50 million, over and above what they would have been if the levels had been controlled at between 244 ft. and 248 ft. and what might be even more important, we said, the Canadian authorities were concerned that Governor Jordan's proposal could mean substantial delay in the completion of the St. Lawrence Projects. We said that the United States authorities would be aware of the parallel interests that Hepco and Pansy and the Canadian Seaway authority and the United States Seaway Development Corporation would have in the final outcome of the water level question.

3. We went on to state that we had been instructed to seek information on a number of specific questions. We realized that it might be difficult for the State Department to give us definite answers immediately, but we would hope that firm replies could be obtained before the proposed meeting of the IJC.

4. With reference to your question (a), we are fairly sure that the State Department did not know about Governor Jordan's proposal when we first requested an interview on this subject. It was clear, however, that between the time of our request and the time of the interview, the State Department had been fairly well briefed.

5. We then put the questions designated (b) to (f) inclusive in paragraph 5 of your telegram under reference. We were told in reply that no official answers could be given immediately but it was possible to indicate, *unofficially*, the views of the State Department

officials on at least some of the questions we had asked. Vest and Minor then gave us most of the information contained in the rest of this telegram. Since the interview we have spoken to Vest again, and on some of our questions he has been able to supplement the information we received on Friday; this later information has been incorporated in this telegram. We have not yet received any "official" answers, however.

6. In reply to question (b) on whether the United States Administration was prepared to accept the delay consequent upon re-designing of the channel enlargements, we were told that in the State Department's view the delay would not necessarily follow and that consequently no thought had been given to the possibility of delay. Stress was placed on the fact that the Administration was aware of, and sympathetic to, the Canadian Government's wish that construction of the power project should not be delayed. Governor Jordan's proposal was a bona fide suggestion that was made in good faith after further consideration and inter-agency discussions on this question. From what the State Department knew of the proposal, they did not think that it would result in any long drawn-out discussions. The State Department were not convinced that Governor Jordan's proposal would result in any more delay than was already inherent in the situation following the meeting in Montreal. They emphasized that the decision in Montreal was a tentative one and that to their knowledge no plans for submission to the two governments were being formulated on the basis of that tentative decision. Even if it had been intended that plans would be based on the Montreal decision, it seemed unlikely to the State Department that they would have been completed before May 1. Therefore, they were not convinced that Governor Jordan's proposal for another meeting would cause delay.

7. Nor did they see why we used the phrase "re-designing of channel enlargements". The word "re-designing", they said, implied that a final decision on this question had been agreed to previously; how could a design have been agreed to in advance of a final decision on the levels of Lake Ontario?

8. Your question (c), concerning the views of the United States Administration on the apportionment of the increased costs, brought forth these comments. By the application of the reasoning used to question the use of the word "re-design", doubt could be cast on the appropriateness of the phrase "increased costs". But putting that point to one side, it might be said, unofficially, that the Administration probably would be prepared to see the power authority of the State of New York and the St. Lawrence Seaway Development Corporation assume *the United States share* of any additional costs involved. It was the impression of the State Department officials that the allocation of increased costs that would accrue to the power project would have to be worked out between Pasny and Hepco. They understood that all of Pasny's contracts included an "open-end" provision that would permit specifications to be more closely defined to take into account the final decision on the levels of Lake Ontario. They thought that the Seaway Development Corporation's contracts probably had included a similar provision.

9. On Monday, when we spoke to Vest after our telephone conversation with Côté, we explained to him that in the view of the Canadian Government, Canada should not be asked to assume any portion of the additional costs that would arise from Governor Jordan's proposal. Vest's reply was that he found this statement difficult to accept. Nevertheless he would make our position on this point known to the United States Section of the International Joint Commission immediately. When he called later in the day he said that he had discussed our statement with the United States Section of the IJC. Their view, according to Vest, appeared to be that there was no firm legal basis for our position; and that the allocation of costs was a question for discussion at the meeting requested by Governor Jordan.

10. Your question (d), concerning the willingness of the United States Seaway Development Corporation to agree to a régime of 243 ft. to 247 ft., at first drew only a promise to seek the Corporation's views. Later we were asked how it was that contracts that had been let could have called for a specific depth when a definite decision had not been taken concerning the plans for the regulation of the waters of Lake Ontario.

11. In reply to your question (e), concerning the build-up of congressional pressure, we were told that there had been no change in the pressure from members of Congress; it had neither increased nor decreased.

12. Your question (f) concerning the attitude that the United States Administration was likely to adopt at the proposed IJC meeting, brought forth the following comments. It was the unofficial view of the State Department that at the proposed meeting the United States Section of the IJC would have the backing of all the interested agencies of the United States Government, including the State Department. Even after the meeting in Montreal, the Department of Interior, the Corps of Engineers, and the IJC had continued to review this question. After the hearings in Rochester and Toronto these agencies had met in an inter-departmental meeting when all the evidence had been reviewed again. On the basis of what was considered by the United States Section of the IJC to be new evidence brought out at the Rochester and Toronto hearings, and on the basis of the continued review of the question, it had been agreed at the meeting that the 243 ft. to 247 ft. régime would serve the interests of the United States Government better than the régime of 244 ft. to 248 ft. This decision was taken in the full knowledge that there would be some loss of power and a substantial increase in costs. (Vest mentioned a figure of \$60 million.) On a practical basis, however, the United States Government was more concerned with the long-term welfare of lakeshore landowners and with the prevention of damage to lakeshore property than with the loss of power or increased costs. The Administration anticipated some difficulty in persuading Pasny to accept the proposed 243 ft. to 247 ft. régime, but they felt that this problem could be handled. (Vest indicated that the task of "handling" Pasny would probably fall to Governor Jordan.) We have had no indication that they expect to have any difficulty with the St. Lawrence Seaway Development Corporation.

13. One point that carried considerable weight at the recent inter-agency meeting, we were told, was that the Administration was now being presented with a "last-chance" opportunity to get a régime for the control of Lake Ontario that would ensure maximum protection to lake-shore property by "guaranteeing" a stable shoreline. It was our impression that the Administration clearly considered that the 244 ft. to 248 ft. régime would not give sufficient protection to lake-shore property owners and that the political problem they may have to face, if they do not make arrangements that will guarantee the maximum possible degree of protection, looms larger than the loss of power or increased costs or the anticipated difficulties with Pasny.

14. Another important consideration that had been taken into account at the inter-departmental meeting was that in the United States view the value of the lost power would decrease in time, since it appeared that sooner or later, to meet the power needs of the United States in the area to be served by the St. Lawrence Power Project, thermal power will have to be used to supplement hydro power.

15. At the conclusion of our meeting on Friday we emphasized the Canadian Government's strong concern over the possibility of delay and reminded the State Department that there were domestic problems for both governments to face on the St. Lawrence Projects. Vest undertook to let Governor Jordan know immediately the concern of the Canadian Government over the possibility of delay.

16. Vest told us after the meeting that Governor Jordan's decision to re-open this question was based partly on an impression he had gained during the Rochester-Toronto hearings that the Canadian Section of the IJC might be willing to have the water levels controlled at between 243 ft. and 247 ft., so long as adequate provision could be made for emergency situations in which the levels could be increased to 248 ft. We understand from our telephone conversation with Côté that the Canadian position on this point has now been clarified.

17. As we indicated previously in this telegram, we expect to receive "official" answers to at least some of our questions. Although the information in this telegram was given to us merely as the views of State Department officials, it would be our guess that any official replies we may receive may not be very different from what we have already been told.

469.

DEA/1760-A-40

*L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures
Ambassador in United States
to Secretary of State for External Affairs*

TELEGRAM WA-679

Washington, April 28, 1955

CONFIDENTIAL. IMPORTANT.

Reference: Our telegram WA-667 of April 27.

LAKE ONTARIO LEVELS

The State Department have given us some additional information concerning Governor Jordan's proposal that the waters of Lake Ontario be controlled at levels between 243 ft. and 247 ft.

2. Jordan sent a telegram to Mr. Moses of Pasny, Mr. Castle of the Seaway Development Corporation, and Mr. Atterby of the Lake Ontario Landowner's Association, that said in effect that as a result of the hearings in Toronto and Rochester, the United States section of the IJC have recommended to the Canadian section that the IJC adopt for the control of Lake Ontario a régime of 243 ft. to 247 ft., *or other alternatives*. The telegram asked the recipients to let Jordan know their views in advance of the proposed executive session of the IJC on May 5. Our source in the State Department, who has asked not to be identified by name, is inclined to interpret this telegram as an indication that the United States section of the IJC are not "dead set against" the 244 ft. to 248 ft. régime that was tentatively agreed to in Montreal.

3. We understand, also from the State Department, that Castle of the Seaway Development Corporation, has given only preliminary consideration to the reply that he will send to Governor Jordan. According to the information we received today, Castle does not favour Jordan's proposal since it obviously will mean additional expense for the navigation project.

4. In an attempt to find out how far the administration might go to support Jordan's proposal, we asked what their attitude was likely to be if the Seaway Development Corporation's share of the extra costs was high enough to require an additional appropriation. The first reaction to our question was that it was improbable that the Corporation's share of the costs would be so high. We were told, however, that some members of the Administra-

tion almost certainly would oppose any proposal that would entail another request to Congress for funds for the navigation project. (The information in this paragraph was given to us on a personal basis, with a special request not to reveal the source).

470.

DEA/1760-A-40

Note de la Direction de l'Amérique
Memorandum by American Division

RESTRICTED

[Ottawa], May 12, 1955

MEETING OF THE I.J.C. IN BUFFALO ON MAY 5, 1955

This Executive Session of the I.J.C. heard representatives of the Joint Board of Engineers, Counsel for the Governments of Canada (Mr. E.A. Côté) and the United States (Mr. George Vest), a representative from the Province of Quebec Hydro Commission (Mr. Dupuis) and representatives from the St. Lawrence Seaway Authority. (Minutes of the meeting were taken in the usual way by a public reporter.)

2. At the opening of the meeting the Chairman, *Governor Jordan*, explained that this meeting had been called following an exchange of telegrams† between the United States and the Canadian Sections of the I.J.C. on April 28 and following days. Mr. Jordan read these various telegrams, the substance of which was a suggestion by the United States Section to consider a range of levels of 243-247 feet.

3. In answer *General McNaughton* stated that the Canadian Section was not prepared to discuss a range of 243-247 feet but agreed that the United States Section could make a statement on this question if it so desired.

4. At the invitation of the Chairman, the engineers presented a verbal report on the meeting which was held on May 4; the purpose of this meeting was to choose a regulation plan out of the four existing ones. *Mr. Hathaway Patterson* indicated that since the meeting of the engineers he had learned that plan 12-C-4 would not be practicable. The advantage of plan 12-C-4 was that it provided for a greater power output than plan 12-A-9, but Mr. Patterson had discovered that the revenues derived from this additional power would be annulled by the additional excavation costs entailed by plan 12-C-4.

5. It was therefore agreed to limit the discussion to plan 12-A-9. Before Mr. Smith (one of the authors of plan 12-A-9) commented on this regulation method, *Mr. Patterson* explained to the meeting the reason why the other plans were rejected: Mr. Snyder's plan would not meet the downstream requirements; the B plan (Mr. Clark's plan) required too much excavation and would have been too expensive; these two plans would have provided more power than plan 12-A-9.

6. The few copies of Mr. Smith's report having been distributed to members of the I.J.C. and copies of the stage duration curve having been distributed to everybody, *Mr. Smith* proceeded to explain his plan. Analyzing each of the criteria agreed to by the Commission, Mr. Smith pointed out that his plan met all of them. This plan was arrived at by computing plan 12-A-8 on a 95-year basis and reducing the elevation curve by .3 feet so that it would meet the criteria and be within the general range of 244-248 feet. Mr. Smith agreed that this plan does not provide for the maximum power potential. The reduction of power as compared with plan 12-A-8 might be close to \$10 million in capital value, *Mr. Bryce* estimated. The optimum power production would have been attained by plan 12-A-8 computed on a 95-year basis, but this would have meant a high level of 248.3 feet which was

contrary to the criteria. Compared with method No. 5 the quantum of power derived from plan 12-A-9 will also be lowered. Project No. 5 would have given about 13.4 kilowatts while plan 12-A-9 will give only 13.3 billion kws. annually. It must be noted, however, that the actual power derived from project 5 might have been higher than 13.4 billion kws. if the additional flow computed in 12-A-9 and not computed in project 5 were taken into account. These figures, Mr. Bryce pointed out, are approximate and are only indicative of relative values.

7. *General McNaughton* commented that the matter may have been narrowed too much by limiting the range of fluctuation of the water to 4 feet; more flexibility would have been assured by adopting a maximum of 248.3 instead of 248 feet.

8. *Governor Jordan* protested immediately that it had already been agreed that any range higher than 3.5 feet was a concession to power and that the meeting should not consider any range higher than 4 feet. In point of fact the meeting had been called with the view of reducing the maximum level from 248 to 247 feet. After seeing the damages which had been caused on the shores of Lake Ontario by the high level of the water, Governor Jordan stated, he was convinced that everything should be done to try to lower the levels of the lake for the protection of the riparian owners. *General McNaughton* replied that the reason for suggesting a higher range was not to support the power interests but the downstream ones. *Mr. Côté* pointed out that the Canadian Department of Transport had indicated that a range of 4.5 feet was the ideal one that could be reached.

9. *Mr. Weber* pointed out that the downstream requirements were already met with a range of 4 feet so that he did not see why additional flexibility would be needed.

10. *Mr. Dupuis* stated that while he had never disagreed with any of the projects presented to the Commission, he had never agreed with any, always reserving the right to study the project. Even the criteria of the Commission, Mr. Dupuis added, had never been accepted by the downstream interests as a final test, the meeting of which would automatically bring about the agreement of the downstream interests to the regulation plan of the waters of Lake Ontario meeting these criteria. The position of the downstream interests is that they do not want any damage *whatsoever* to be caused because of the regulation of the waters upstream.

11. *General McNaughton* then read a statement. Recapitulating the events which have taken place since 1952, the General pointed out that the Commission had agreed in its Order of 1952 on the St. Lawrence project on fifteen criteria, four of which are the following:

- (a) all downstream interests must be protected;
- (b) navigation interests should be protected;
- (c) the rights of the power interests should be safeguarded;
- (b) *as far as possible* the interests of the lakeshore owners upstream should be safeguarded.

There is a difference, he said, between the obligation to protect the downstream interests and the intention to protect as far as possible the upstream interests. There is a positive prohibition by law against affecting the downstream interests. Any damage caused would be attributable to the project and would give rise to an absolute claim for damages. Upstream, on the contrary, damages already exist; the suggestion put forward by the Commission was to relieve these inconveniences as much as can be done, but it should be obvious that relief cannot be granted to the upstream interests to the detriment of the downstream interests. It is also evident, General McNaughton said, that there can be no relief for the lakeshore owners of Lake Ontario until and unless the Iroquois work is finished. It is

therefore in their interest that the Commission reach a decision on the water level of Lake Ontario so that work can proceed on the power project. On March 15 the Commission had agreed tentatively on a range of 244-248 feet subject to revision following hearings in Montreal, Rochester and Toronto and subject also to any correction arising from the adoption of a 95-year basis of study instead of the then 48-year period. The hearings in Rochester and Toronto brought forward no new facts or evidence. The adoption of the 95-year period, on the other hand, indicated that a range between 244 and 248.3 feet would be more satisfactory for power interests and also for downstream interests. This plan was after all the same as plan 12-A-8 to which the Commission had agreed already, save for the change from a 48-year period study to a 95-year one. It would be normal, therefore, to agree with this plan since no new facts justified a change of attitude.

12. *Governor Jordan* commented warily that General McNaughton's statement was interesting but not at all convincing, and adjourned the meeting until 3 p.m.

13. *The Chairman* opened the afternoon session by declaring that the United States Section of the I.J.C. would be opposed to any proposal to raise the duration curve of 12-A-8 by .3 feet. This position would be untenable because it would regulate the level of water at a level which would be higher than that of nature for 85% of the time. Upon due consideration of plan 12-A-9, however, Governor Jordan continued, the United States Section was of the opinion that it could be acceptable by the Commission subject to some possible slight amendment resulting from the close study the engineers (especially Mr. Dupuis and the downstream interests) will give it.

14. *Mr. Dupuis* explained why he wanted to study plan 12-A-9 carefully; while he did not foresee any change he might be forced to suggest in order to protect downstream interests, he could not agree with the plan before studying it in detail. The study of plan 12-A-9 would not only be a verification of the criteria, but would necessitate an even closer verification of the possible effect of the regulation upstream on the interests downstream; to that effect the flow which is actually evaluated on a monthly average will have to be reduced to a daily average. *Mr. Dupuis* suggested that this verification could be done in Montreal in cooperation with Mr. Smith. It was estimated that this would take from three to five weeks. It was agreed that the United States Section of the Board of Engineers would also send an observer to Montreal during these verifications and adjustments. *General McNaughton* observed that plan 12-A-9 being verified by downstream interests, some slight amendment may be brought about to the present project. It would be useful, therefore, to accept project 12-A-9 but indicating that the maximum level would be 248 feet or *as near as may be*. If this additional clause was agreed to, the Commission could send to the Governments its recommendation indicating the adoption of plan 12-A-9 as a firm working basis for the power and seaway entities, this plan 12-A-9 being subject to slight variations only. The addition of the phrase "as near as may be" would have the advantage of permitting a recommendation to be sent right away while leaving sufficient flexibility to amend plan 12-A-9 according to the result of the verifications by the various engineering groups: downstream interests, United States Section of the Joint Board of Engineers, seaway interests and power interests.

15. Following this statement a discussion took place on the meaning of the clause "as near as may be" and on the necessity of this clause. *General McNaughton* pointed out that the insertion of this clause would allow for adjustments of the level of Lake Ontario at critical times, at short notice and for a short period, if at a given time the conditions of the much smaller downstream basins (for example the Lake St. Louis basin) necessitated such an adjustment. As was pointed out by *Mr. Dupuis* the people downstream could be drowned out or dried out within the criteria which are based on a monthly mean. The

added flexibility which this clause brings in would permit adjustments of the flow in the lower basins which probably would affect very slightly the monthly mean upstream.

16. *Mr. Snyder* suggested that if the level of the water is adjusted by bringing up the range, this in fact is done to benefit power. *The General* answered that the navigation authorities had themselves requested the range of 4.5 feet. It therefore seemed that unless they are satisfied that their interests are protected with a lower range they would insist on a range of 4.5 feet. *Mr. Côté* added that this required range of 4.5 feet was not necessarily for navigation and pointed out that downstream effects are felt as far as Three Rivers and Sorel. *Mr. Ripley* then commented that the range in *Mr. Smith's* plan was 4.4 feet. He added that while plan 12-A-9 on the face of it seemed satisfactory to navigation, the navigation people would like to study it in detail. *Messrs. Hathaway, Weber and McWhorter* then asked if any engineer could deny that a range higher than four feet profited power interests only. *Mr. Hathaway* asked that the "Canadian power interests" deny that a range above three feet benefited power only.

17. *Mr. Côté* commented that this question was asked in a somewhat unfair manner: its effect was to throw suspicion on the power interests. Any discussion on the range of levels should use the natural range as a point of departure and in discussing the ideal range it should be remembered that it is the power interests that permit this project of regulation to go ahead. It is the power entities which are paying for this project. They could not be expected to finance a project from which they would derive no benefit whatsoever.

18. Following these clarifications, the two sections of the I.J.C. agreed to send a letter to both Governments recommending their approval of a regulative level of Lake Ontario ranging from 244 feet (during navigation season) to 248 feet or as near as may be. The letter further recommends the adoption by the Governments of plan 12-A-9 subject to minor adjustments following verification with a view to protecting especially the downstream interests.

19. The letter,^{†189} a copy of which is attached, was approved by the committee and it was decided to send it to both Governments on Monday, May 9, with an attached report of *Mr. Smith's* explaining method 12-A-9. The Governments are required to transmit this information to the power entities so that work can proceed very shortly on the basis of project 12-A-9.

20. It was agreed that the final report of the Commission on this Lake Ontario Reference should be sent to the Governments at a later date, possibly in 3 or 4 months. The adjusted and final regulation curve should be ready in 3 to 5 weeks.

M.D. BAUDOIN

¹⁸⁹ Pour le texte de la lettre, voir International Joint Commission, International Lake Ontario Board of Engineers, *Regulation of Lake Ontario: Report to the International Joint Commission, Volume 1, Text*, March 1957, pp. 48-49.

For the text of the letter, see International Joint Commission, International Lake Ontario Board of Engineers, *Regulation of Lake Ontario: Report to the International Joint Commission, Volume 1, Text*, March 1957, pp. 48-49.

471.

PCO

*Note du ministre du Transport
et du secrétaire d'État par intérim aux Affaires extérieures
pour le Cabinet*

*Memorandum from Minister of Transport
and Acting Secretary of State for External Affairs
to Cabinet*

CABINET DOCUMENT NO. 224-55

Ottawa, October 31, 1955

CONFIDENTIAL

ST. LAWRENCE PROJECT — REGULATION OF WATER LEVELS UPSTREAM AND
DOWNSTREAM OF THE INTERNATIONAL RAPIDS POWER DEVELOPMENT PROJECT

On September 21, 1955, the Minister of Transport reported to the Cabinet that, in letters of March 17th¹⁹⁰ and May 9th, 1955 to the Secretary of State for External Affairs, the Chairman of the Canadian Section of the International Joint Commission had stated that the Commission recommended for Government approval that a set of criteria, ranges of elevation and a new Plan of Regulation (No. 12-A-9) should be substituted for the Plan of Regulation referred to in the Commission's Order of October 29, 1952 approving applications of the U.S. and Canadian Governments for a hydro electric development project in the International Rapids Section of the St. Lawrence River. Similar recommendations had been made by the Chairman of the U.S. Section of the I.J.C. to the U.S. Government.

Although it appeared at the time that the new Plan of Regulation would satisfactorily deal with the Lake Ontario water levels problem, it seemed that the new plan might not be acceptable to Quebec authorities for two reasons. The first was that it would tend to lower the levels of Lake St. Louis in the summer months and, therefore, be harmful to the property owners on the lake shore. The second was that, under this plan of regulation, the flow in the Lake St. Louis and Laprairie Basin section of the river would be such as to make it difficult, if not impossible, to provide an early ice cover, which was required for maximum power output at the Lachine power project to be constructed at some time in the future.

The Cabinet Committee on the St. Lawrence Project had been informed that it would likely not be too difficult to modify Plan of Regulation No. 12-A-9 so as to protect the interests of the shore owners in the Montreal area. It was also understood that the St. Lawrence Seaway Authority could widen the proposed new 27-foot Lachine Canal so that it might be used as a by-pass during December and January through which some 40,000 cu.ft. per second could be put, thus reducing the velocity in the main stream to a point where an early ice cover could form. It was estimated by the Seaway Authority that remedial works of this nature would cost \$7 or \$8 million.

The Cabinet Committee felt that Seaway Authority engineers should ascertain immediately whether engineers of Quebec Hydro were prepared, from an engineering point of view, to concur in a somewhat modified Plan of Regulation 12-A-9 on the understanding that the Authority would arrange the by-pass through the new Lachine Canal as mentioned

¹⁹⁰ Pour le texte de la lettre, voir IJC, International Lake Ontario Board of Engineers, *Regulation of Lake Ontario*, pp. 44-47.

For the text of the letter, see IJC, International Lake Ontario Board of Engineers, *Regulation of Lake Ontario*, pp. 44-47.

above. If such concurrence was obtained at the engineering level, it was suggested that the Minister of Transport should inform the Premier of Quebec of the arrangements which had been made and that the Canadian Government intended to approve by a certain date the recommendation of the I.J.C. with some modifications, if required, so that the Seaway Authority might proceed, subject to any further enabling legislation that might be found necessary, with the re-designing of the Lachine Canal and the letting of contracts, and so that there should be no delay in connection with the channel excavations which might have to be altered in the International Rapids Section of the St. Lawrence River as a result of the adoption of the new Plan of Regulation.

The Cabinet, on September 21, 1955, approved these recommendations of the Cabinet Committee. It is understood that the proposed Plan of Regulation No. 12-A-9 with appropriate modifications, together with the provision of facilities to by-pass water through the new 27-foot Lachine Canal during the ice-forming period each winter, will meet the engineering requirements of Quebec Hydro. The Premier of Quebec is familiar with these arrangements and has raised no objection to them.

It is now necessary to approach the United States Government regarding the nature of the replies which must be sent by the governments to the International Joint Commission, since it is obviously desirable that both letters should be substantially alike.

It is therefore recommended that the Secretary of State for External Affairs, after consultation with the U.S. Government, send to the Chairman of the Canadian Section of the I.J.C. a letter substantially in the form hereto annexed informing the Commission of Canada's approval of the range of elevations for Lake Ontario, of the criteria recommended by the Commission and of plan of regulation No. 12-A-9 for the purpose of calculating critical profiles and the design of channel excavations, it being understood that the Commission will continue its studies with a view to perfecting the plan of regulation so as best to meet the requirements of all interests both upstream and downstream of the International Rapids power development project.

A decision is also required as to who should bear the cost of the remedial works in the new 27-foot Lachine canal to permit certain quantities of water to be by-passed from Lake St. Louis into the Laprairie basin during the winter months. As stated above, the cost may be \$7 or \$8 million. It seems impractical to consider that this cost will be borne by other than the St. Lawrence Seaway Authority or the Canadian Government. The main purposes of the remedial works are to afford better control of the outflow of Lake St. Louis and to ensure that ice forming conditions can be achieved in the Lachine Narrows during the winter months when power is developed at that point. On the other hand, although the spillway to be constructed at Côte Ste-Catherine to take the additional quantities of water out of the canal into Laprairie basin will be of no use whatever to navigation, the widening of the canal between Caughnawaga and Côte Ste-Catherine, which is an essential part of the remedial works, will be of some benefit to navigation. It seems to the undersigned that the less objectionable course of action would be to have this cost charged to the Seaway Authority and amortized out of navigation tolls. In this respect, however, it should be borne in mind that the Seaway Authority is concerned about the additional charges being made against the Seaway and about the unduly high tolls which it may eventually be nec-

essary to impose if the full cost of the seaway, including ancillary developments such as the Lachine by-pass, are to be amortized over the period contemplated in the legislation.¹⁹¹

GEORGE C. MARLER
Minister of Transport

ROCH PINARD
Acting Secretary of State
for External Affairs

[PIÈCE JOINTE/ENCLOSURE]

*Le secrétaire d'État aux Affaires extérieures
au président de la section canadienne
de la Commission mixte internationale*

*Secretary of State for External Affairs
to Chairman, Canadian Section,
International Joint Commission*

[Ottawa], October 31, 1955

Dear General McNaughton:

I have for reply your letter of May 9, 1955, on the subject of Lake Ontario levels. I note that the International Joint Commission has reached agreement on a range of elevations for Lake Ontario, namely, 244 feet (navigation season) to 248 feet, as nearly as may be. I am pleased to inform you that this range of mean monthly elevations is approved by the Government of Canada.

2. In your letter of May 9, you also stated that the Commission recommended approval of the criteria for the operation of the regulatory works being built in the International Rapids section of the St. Lawrence River, set out in your letter of March 17, 1955. I am pleased to inform you that the Government of Canada approves these criteria as recommended in your letter of May 9.

3. Copies of Plan of Regulation No. 12-A-9, which had been developed within this range of elevations and according to these criteria, were enclosed with your letter of May 9. It is apparent that the Plan of Regulation will of necessity be modified in minor details from time to time, both during the construction stage and afterwards as the several works are completed and come into operation. Accordingly, it is important to preserve the flexibility for adjustments and progressive improvements which, subject to specified requirements and procedure, is prescribed in paragraph (i) of the Commission's Order of Approval of October 29, 1952. It is of paramount importance that the St. Lawrence River Joint Board of Engineers and the power and seaway entities be provided with a plan of regulation in substitution for Plan of Regulation No. 5 referred to in the Order of Approval, as the basis on which they may proceed with the determination of the critical profiles and the design for channel excavations, if the whole St. Lawrence project is not to be delayed seriously.

¹⁹¹ Le 3 novembre 1955, le Cabinet a approuvé le projet de lettre joint et convenu que l'Administration de la voie maritime du Saint-Laurent paierait les ouvrages de protection dans le nouveau canal de Lachine. On November 3, 1955, Cabinet approved the attached draft letter and agreed that the St. Lawrence Seaway Authority would pay for the remedial works in the new Lachine canal.

Therefore, the Government of Canada approves Plan of Regulation No. 12-A-9 for the purpose of calculating critical profiles and the design of channel excavations.

4. The Government urges the Commission to continue its studies with a view to perfecting the plan of regulation so as best to meet the requirements of all interests both upstream and downstream, within the range of elevations and criteria approved above.

5. The Government of Canada is naturally much concerned about the effects which the regulation of Lake Ontario levels might have downstream in the exclusively Canadian section of the river. This concern relates more particularly to:

(a) flows during the ice-forming period from December 15th to January 31st each year; and

(b) the flooding hazard in February and March each year in the Montreal area.

With regard to (a), studies which have recently been made by the parties concerned in Canada indicate that, with the "supplies of the past as adjusted" referred to in the criteria and within the range of elevations, criteria and design of channel excavations referred to above, it is possible to adjust the plan of regulation in such a manner that the outflow from Lake St. Louis is maintained at or below 280,000 cu.ft. per second from December 15th to January 31st each year, which is the ice-forming period in the Lake St. Louis-Laprairie basin area of the St. Lawrence River. As to (b), it appears that minor modifications can be made in the plan of regulation to avoid aggravating the danger of flooding in the Montreal area. The Government of Canada wishes to inform the Commission that in order to assist the Commission in perfecting a plan of regulation under which the total outflow from Lake St. Louis can be maintained at or below the level referred to above from December 15th to January 31st each year, arrangements have now been made for the redesign of a portion of the new 27-ft. canal in the vicinity of Montreal in order to allow certain quantities of water to be by-passed from Lake St. Louis to Laprairie basin through that portion of the canal during the non-navigation season.

Yours sincerely,

L.B. PEARSON

472.

DEA/1760-A-40

*L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures*

*Ambassador in United States
to Secretary of State for External Affairs*

TELEGRAM 1845

Washington, November 4, 1955

CONFIDENTIAL. IMPORTANT.

Reference: Your telegram X-1847 of Nov. 1/55.†

LAKE ONTARIO LEVELS — DRAFT REPLY TO THE INTERNATIONAL JOINT
COMMISSION

On Wednesday we left at the State Department a copy of our draft letter to General McNaughton, amended in accordance with your instructions.¹⁹² The State Department have now given us the United States comments on our draft. These comments, we were told, have been agreed by representatives of the State Department (Legal Division and BNA Office), the International Joint Commission and the Department of the Army (including the Corps of Engineers). According to Vest of the Canadian Desk, who passed these comments to us this afternoon, no other agencies of the United States Government need to be consulted. We were told also that if the United States comments and suggestions are acceptable to Canada, the United States Government will have no further comments and their reply to Governor Jordan's letter of May 9 could be cleared very quickly here. If these comments are acceptable, the United States letter, we understand, will be the same as the Canadian draft amended and modified as outlined below.

2. The most important comment concerns the inclusion of paragraph 5 in the Canadian letter. Vest told us that all of the United States agencies concerned recognized that a statement along the lines of paragraph 5 of our draft letter would have to be made by Canada, and they were indeed pleased that Canada had decided to make such a statement. The timing and method of presenting the statement, however, created a serious difficulty, and there was a strong feeling that the statement should not be included in our reply to General McNaughton. In the opinion of all the United States agencies concerned, the inclusion of paragraph 5 in our letter might well create for the administration the risk of serious difficulties with representatives Keating and Ostertag of New York State, as well as Atterby and other Lake Ontario property owners. It was the consensus of all the agencies that the inclusion of paragraph 5 in the Canadian letter would give the Lakeshore property owners an opportunity to criticize the administration for not providing for upstream interests the same degree of protection that the Canadian Government had provided for downstream interests.

3. It was readily recognized by the agencies concerned, however, that their proposal that paragraph 5 be deleted from our letter would represent an important change in the Canadian Government's position. They have suggested, therefore, the amendments outlined below, which they hope will serve, at least in part, the same purpose as paragraph 5.

4. Their proposed amendments are as follows:

(a) *Paragraph 3, the second sentence*—It has been suggested that this sentence might be amended to read "You state that the plan of regulation will be modified in minor details from time to time, both during the construction stage and afterwards, as the works in other portions of the St. Lawrence River are completed and come into operation". We were told that if there is any objection to beginning the sentence with "you state", the United States would accept our present wording, i.e., "it is apparent". They would, however, like to drop the phrase "of necessity". It was explained to us that the object of this proposed amendment was to make it clear that modifications to 12-A-9 might be required, not only for works that are underway or contemplated at the present time, but also to works downstream that might be undertaken in the future. The United States Government, we were

¹⁹² Le texte modifié auquel il est fait référence dans le télégramme X-1847 est le même que le texte imprimé joint au document 471.

The amended text referred to in Telegram X-1847 is the same as that printed as the attachment to Document 471.

told, is willing to go as far as possible to ensure that the instructions to the Chairmen of the IJC give the Commission the widest possible latitude.

(b) *Paragraph 3, final sentence*—The State Department suggested that this sentence might be amended to read as follows: “Therefore, the Government of Canada approves, as a basis for calculating critical profiles and the design of channel excavations, Plan of Regulation 12-A-9, with such minor modifications as may be found necessary to allow for possible future developments downstream, as well as to maintain satisfactory conditions upstream and on Lake Ontario”. We were told that if the Canadian Government thought it desirable, the last part of this sentence might be made to read “...as well as to maintain satisfactory conditions downstream, upstream, and on Lake Ontario”. The purpose of this amendment is to spell out not only the purpose of Plan of Regulation 12-A-9, but also to indicate what must be taken into account by the IJC in determining what modifications may be necessary to the plan.

As we mentioned earlier, these proposed changes in the text of the first four paragraphs of our draft letter to General McNaughton have been suggested with the idea in mind that paragraph 5 would be dropped from our letter. It was emphasized to us that the United States Government has no objection to the Canadian Government making known to the IJC the information which is now contained in paragraph 5 of our draft letter. Their objections relate only to the timing and method of presenting the information to the IJC.

When we pressed for an opinion on what the United States attitude was likely to be if the Canadian Government could not see its way clear to drop paragraph 5, we were told that the view of United States authorities was that the United States reply to Governor Jordan would have to include a paragraph which would show more clearly than the proposed final sentence in paragraph 3 now does, that the United States Government was prepared to give to property owners on Lake Ontario the same kind of protection that paragraph 5 indicated the Canadian Government was giving to downstream interests in Canada. The United States would be very reluctant to take such a step since they were aware that if such a paragraph were included, the Lakeshore property owners would have a piece of paper which they could use to insist that the United States Government give further consideration to the protection of their interests.

473.

DEA/1760-A-40

*Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis*

*Secretary of State for External Affairs
to Ambassador in United States*

TELEGRAM X-1902

Ottawa, November 10, 1955

CONFIDENTIAL. IMPORTANT.

Reference: Your Telegram 1845 of November 4.

LAKE ONTARIO LEVELS — DRAFT REPLY TO INTERNATIONAL JOINT
COMMISSION

We should be obliged if you would make the following comments to the State Department in reply to their observations contained in your telegram 1845. You might first of all express our satisfaction that they have so few comments to make about the first four

paragraphs of our letter, and hence it appears that the two Governments are now very close together on this subject and it should be possible to send replies to the International Joint Commission very soon.

2. On review of the comments given in your telegram 1845, it would appear that the anxieties of the United States officials arise mostly by reason of the inclusion of paragraph 5 in the Canadian draft letter to General McNaughton. We do not, of course, wish to create difficulties for the United States authorities and, accordingly, we would be prepared to recommend to Ministers the deletion of this paragraph. We notice that the United States Government has no objection to the Canadian Government making known to the International Joint Commission the information contained in paragraph 5, but that their objections relate to the timing and method of conveying the information. Accordingly, we will probably send a separate letter along the lines of paragraph 5 at a later date to General McNaughton, with the request that he give the information to his fellow Commissioners.

3. With respect to amendment (a) proposed in paragraph 4 of your telegram, we would suggest that the second sentence of paragraph 3 be worded as follows: "It is apparent that the Plan of Regulation will be modified in minor details from time to time, both during the construction stage and afterwards, particularly as the works in other sections of the St. Lawrence River are completed and come into operation." We would prefer "it is apparent" to "you state", because this sentence is not a direct quotation from a communication from General McNaughton. The word "particularly" is inserted so that the sentence does not have a limiting effect.

4. With respect to amendment (b) in paragraph 4 of your letter, we prefer the text in our draft, and we do not find that the State department re-draft assists to make up for the deletion of our paragraph 5. We consider that what is needed now is a firm basis for the design of channel excavations, and our wording was intended to fulfil this purpose. A plan is not required for other purposes now, and in view of the pleas for flexibility which were made at the session of the International Joint Commission at the beginning of October, it seems unnecessary to make the approval more general. The purpose of regulation and the considerations which need to be taken into account by the Commission are given in the order of approval and in the criteria, and it does not seem necessary to repeat them in general terms in this sentence.

5. As we have indicated above, this telegram represents official views only. If the State Department agrees to the views expressed above on the two proposed amendments, we will then seek ministerial approval for the letter as amended.

474.

DEA/1760-A-40

*L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures
Ambassador in United States
to Secretary of State for External Affairs*

TELEGRAM 1896

Washington, November 15, 1955

CONFIDENTIAL. IMPORTANT.

Reference: Your X-1902 of Nov. 10/55.

LAKE ONTARIO LEVELS — DRAFT REPLY TO INTERNATIONAL JOINT
COMMISSION

Yesterday at the State Department we presented to George Vest of the Canadian Desk, the comments contained in your telegram No. 1902 of Nov. 10. We pointed out that these comments represented views of officials and were still to be approved by Ministers.

2. Vest's reaction was favourable and he asked us to express to you the State Department's appreciation for your helpful co-operation in helping them avoid difficulties.

3. Vest indicated his full agreement to the comments in paragraphs 3, 4 and 5 of your X-1902. The final draft of the State Department's letter would, he said, have to be submitted to the Under-Secretary's office for approval, but he would not hesitate in saying that he was almost 100 per cent certain that our comments would be accepted. Vest thought that the final clearing process probably would not be completed before the end of this week. He will let us know as soon as final approval has been given.

4. Vest asked during the conversation whether or not the Canadian Government intends to issue a press release when the letters are sent to the Chairmen of the IJC. He said that it was unlikely that the United States Government would issue any release, since they would prefer any public statement on their letter to come from the IJC. We should be grateful if you would let us know your plans on this point.

5. During our conversation with Vest he re-affirmed that the United States Government would have no objection to a subsequent letter from the Canadian Government to General McNaughton along the lines of our "old" paragraph 5.¹⁹³

¹⁹³ Pour le texte final de la lettre des États-Unis à Jordan, et les deux lettres du Canada à McNaughton, qui ont été approuvées par Pearson sans changements substantiels, voir IJC, International Lake Ontario Board of Engineers, *Regulation of Lake Ontario*, pp. 51-54. Une ordonnance supplémentaire approuvant les niveaux convenus dans ces lettres a été rédigée lors de la réunion extraordinaire de la Commission mixte internationale les 19 et 20 décembre 1955, et publiée le 2 juillet 1956. Voir *ibid*, p 55.

For the final text of the U.S. letter to Jordan, and the two Canadian letters to McNaughton, which were approved by Pearson without substantial changes, see IJC, International Lake Ontario Board of Engineers, *Regulation of Lake Ontario*, pp. 51-54. A supplementary order approving the levels agreed to in these letters was drafted at a special meeting of the International Joint Commission on December 19-20, 1955 and issued on July 2, 1956. See *ibid*, p 55.

SECTION D

LE SYSTÈME DE LA RIVIÈRE COLUMBIA
COLUMBIA RIVER SYSTEM

475.

DEA/5724-E-40

*Le sous-secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis**Under-Secretary of State for External Affairs
to Ambassador in United States*

LETTER X-22

Ottawa, January 7, 1955

CONFIDENTIAL

Reference: Your telegram WA-2119 of Dec. 17/54.¹⁹⁴POSSIBLE USE OF COLUMBIA FLOOD WATERS IN CONJUNCTION
WITH THE FRASER RIVER

Your telegram under reference was referred to the Department of Northern Affairs and National Resources with a request for comments on the two questions raised by Mr. Vest of the State Department as well as your own enquiry concerning the relationship between the possible Columbia-Fraser diversion and the proposed Mica Creek project. These comments have now been received and form the basis of the observations which follow.

2. The first point raised by Mr. Vest touches on the implications of the possible diversion of the Columbia River into the Fraser River as it would affect the existing generating facilities on the Columbia River in the United States. As mentioned in the Press Release of December 20, 1954,¹⁹⁵ flood waters of the Columbia River are wasted each summer due to lack of control and storage facilities. It will be necessary, as part of the diversion investigation, to determine as accurately as possible the actual volume of water which could be diverted in Canada without injury to United States interests. Data presently available indicates that in a low-water year such as 1943-44, approximately fifteen million acre-feet of water exists surplus to the power requirements at Grand Coulee. Allowing for irrigation projects now under development, it appears that the minimum annual diversion which could be made without injury to present users of Columbia River water in the United States amounts to approximately ten million acre-feet. There is the possibility, of course, that additional generating installations now under construction or under consideration in the United States may place a greater demand on the available flow of the Columbia and this is one of the main arguments in favour of proceeding with the investigations without delay.

3. Until additional information becomes available on this aspect of the problem it would be inadvisable to attempt to be specific about the actual requirements of any possible diversion or about the apparent surpluses of flood waters in the Columbia system. The enquiry should be answered in general terms to the effect that large volumes of flood waters are presently being wasted and the investigation now being undertaken is directed towards determining if these can be put to beneficial use.

¹⁹⁴ Voir/See Volume 20, Document 608.

¹⁹⁵ Non retrouvé./Not located.

4. The second point raised by Mr. Vest concerns the relationship between the independent studies undertaken by the Department of Northern Affairs and National Resources and the studies arising out of the Columbia River Reference of 1944.¹⁹⁶ In point of fact the large scale studies carried out in the Columbia River Basin since 1944 arose directly from the 1944 Reference and are planned by and on behalf of the Engineering Board established under that Reference.

5. To answer this question, it is suggested you point out that while the studies on the Columbia River basin carried out by the Canadian Government have resulted from the Joint Reference of 1944 to the I.J.C., enquiries have also been under way concerning many other major water resource possibilities in Canada. Since the end of World War II, enquiries and investigations have been made into the use of the waters of the Yukon Watershed, the Hamilton River in Labrador, the St. John River in New Brunswick and other waters. Mention could also be made of the Dominion-Provincial Board, Fraser River Basin, established December 11, 1948 to investigate the resources of the Fraser River Basin. Thus, while the Columbia River investigation arose out of the Reference of 1944, it also fits into the general pattern of investigation that has been sponsored by the Canadian Government throughout the country.

6. Turning to your own enquiry concerning the relationship between the Columbia-Fraser project and the Mica Creek project, the latter appears to be the key to the ultimate development of the Columbia River water resources, either in the Columbia River Basin itself or by means of a diversion to the Fraser River system. The Mica Creek dam and reservoir will provide the storage capacity for flood waters which are now wasted and which under one scheme would be released during low stage on the river to enlarged power installations downstream, and in the other case would be released for diversion to the Fraser River Basin for use in the power installations which would be made on the Thompson and Fraser Rivers. The Mica Creek project and the possible Columbia-Fraser diversions are not alternative developments or mutually exclusive. Only through developing the Mica project or some alternative upstream storage of large capacity would the diversion to the Fraser from the Columbia be practicable.

S.A. FREIFELD
for Under-Secretary of State
for External Affairs

476.

DEA/5724-40

*L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures
Ambassador in United States
to Secretary of State for External Affairs*

DESPATCH NO. 481

Washington, March 21, 1955

CONFIDENTIAL

COLUMBIA RIVER BASIN

Over the past few weeks we have been trying to obtain some idea of the present United States attitude towards the development of the water power resources of the Columbia

¹⁹⁶ Voir volume 11, les documents 1077 et 1078./See Volume 11, Documents 1077 and 1078.

River Basin. It was only recently, however, that we received any definite indication of how United States officials, and perhaps even the Administration, are beginning to look at this question.

2. We have learned from the State Department, on a confidential basis, that the United States authorities now seem to be considering seriously whether or not they should go ahead and develop, as quickly as possible, the hydro-electric power sites in the United States section of the Columbia River Basin. According to the information we were given, there are three elements in the present situation that are becoming increasingly important. First, there is a feeling in some parts of the United States Government that scientific developments may enable atomic energy to be used for the generation of industrial power fairly soon. In the face of that prospect the value of the potential hydro-electric power sites on the Columbia will decrease as the industrial use of atomic power becomes more and more imminent. Therefore, to ensure the maximum return on the large investments that will be required to develop the hydro-electric power, construction on the projects must begin soon.

3. Second, there is a body of opinion in the United States Government that leans to the view that "co-operative" development of the Columbia Basin by Canada and the United States will take too long when measured against the need for power in the Pacific Northwest. One specific reason cited for the growth of this feeling was that Canadian studies of potential uses of the waters of the Columbia "always seem to be at least two years from completion". If the Canadian studies cannot be speeded up, the argument goes, then it might be better for the United States to concentrate on the development of the water power resources in their own reach of the Columbia than to await the completion of the Canadian studies.

4. As it was explained to us, this feeling has been developing gradually for some time, partly, at least, as a reaction to what some United States officials are prone to describe as Canada's "nationalistic" attitude on this question. This interpretation of Canada's attitude, we were told, was strengthened by two recent events. The first of these was the news that Canada planned to study a possible diversion of the flood waters of the Columbia into the Thompson and Fraser River systems; the second was the introduction into Parliament of legislation for the control and improvement of international rivers.¹⁹⁷

5. The information about Canada's plans to study the possible diversion of the Columbia into the Fraser, we learned, generated a sharp reaction in Washington. At first it was proposed that the United States ought to reply immediately by sending a diplomatic note in which the United States would "reserve their rights" to the waters of the Columbia. This suggestion was pressed fairly hard but in the end it was dropped, mainly on the advice of the State Department, who pointed out that the rights of the United States were protected by the terms of the Boundary Waters Treaty of 1909 and that the action of the Canadian Government in informing the United States of their plans was a good example of the kind of co-operation that seemed desirable, and that it should not, therefore, be answered in the way that had been suggested.

6. The debate on the international rivers legislation was followed with keen interest by officials and others in Washington. It was an important point of focus for those in the United States Government who have been concerned about the possible effects that Can-

¹⁹⁷ Voir volume 20, document 605. Voir aussi Canada, Chambre des Communes, *Débats*, 1955, volume 1, le 10 janvier 1955, p. 17.

See Volume 20, Document 605. See also Canada, House of Commons, *Debates*, 1955, Volume 1, January 10, 1955, p. 17.

ada's attitude towards the waters of the Columbia River Basin might have on United States plans in that region, and served, apparently, to crystallize their views.

7. The third important element in the present situation is the increasingly strong pressure from political and other interests in the United States for the rapid development of hydro-electric power to meet the needs of industries in the Pacific Northwest. On this point the State Department's comments went as follows. The Administration, as we knew, were keenly aware of the potential power shortage in the Northwest. If they had not been aware of the intense interest in this question previously, they certainly had not failed to read the lesson of the election of Senator Neuberger in Oregon. Neuberger's election was being interpreted, we gathered, as a clear indication that action would have to be taken, and taken soon, on the development of the water resources on the Columbia. Another point that was beginning to assume more and more importance in United States thinking on this subject, was that a Presidential election would be held in something less than two years from now, so that the period of two years has assumed critical significance in the eyes of the present Administration. If there is, as there must be, a chance that the Republican Party may not be returned to power, the development of the resources of the Columbia River Basin takes on added urgency, since, if the Administration wish to see those resources developed in accordance with their own philosophy, they must act quickly. Therefore, the Administration may come to the conclusion that, for important political reasons, they cannot afford to wait for the completion of the Canadian studies on the Columbia.

8. As we indicated at the beginning of this despatch, this information was given to us in strict confidence. We were told also that it represents a kind of "pulling together" of information obtained from a number of United States agencies, including the Department of the Interior, the Army Corps of Engineers, the State Department, and possibly the International Joint Commission and the Department of Defense as well. Although it was not given to us as "official" United States thinking, we are inclined to believe that it represents a fairly close approximation to the kind of attitude that is likely to develop in the United States Government. If that is true, then the present situation holds obvious, but nonetheless serious, implications for Canadian policy concerning the development of the Columbia River Basin. It is evident, for example, that if the United States, in spite of the continuing debate on the question of public versus private development of water power resources, should go ahead quickly with their plans to develop the potential power sites along their own reach of the Columbia, their vested interest in the use of the waters of the Columbia would be greatly increased. And although, as we gathered, there is little or no inclination among United States authorities to dispute Canada's right to use the waters of the Canadian reach of the Columbia in any way we see fit, we should be prepared for the possibility that we may have to consider the question of compensating United States interests if Canada should take a decision on the Columbia that would affect the supply of water needed for the operation of large-scale power installations along the lower Columbia.

9. It is possible, of course, that this information has been passed along to us in the hope that it may serve to speed up the completion of Canadian plans for the use of the waters of the Columbia. In any event, no matter how it is to be interpreted, it seems to us to indicate a growing restlessness among the United States authorities which should not be ignored in the development of Canadian policies for the use of the water resources of the Columbia River Basin.¹⁹⁸

A.D.P. HEENEY

¹⁹⁸ Note marginale :/Marginal note:

Submitted as Document for Cabinet. S. Freifeld

477.

DEA/2492-A-1-40

*Note du chef de la Direction de l'Amérique
pour le sous-secrétaire d'État aux Affaires extérieures*

*Memorandum from Head, American Division,
to Under-Secretary of State for External Affairs*

CONFIDENTIAL

[Ottawa], April 14, 1955

SEMI-ANNUAL MEETING OF THE INTERNATIONAL JOINT COMMISSION,
WASHINGTON, APRIL 5-8, AND HEARINGS OF THE I.J.C.
AT ROCHESTER ON APRIL 12, 1955

Both the semi-annual meeting of the I.J.C. in Washington and the Lake Ontario levels hearings at Rochester went off well. Much of the credit is due to the new U.S. Chairman, Governor Jordan.

2. In the course of the semi-annual meetings, two significant factors became apparent to me. The first is that Governor Jordan is probably one of the key figures in U.S. power planning policy. The second is that U.S. technical planning in the Columbia basin is far advanced, having been projected to 1985.

3. In retrospect, therefore, the re-statement by General McNaughton of the views he had already, in a large measure, expressed before the External Affairs Committee, must have partaken — in the eyes of his U.S. colleagues — of the qualities of a second showing of a Don Quixote film.¹⁹⁹

4. The United States section of the Commission was upset, thereafter, by the firm and almost deliberately abrupt manner in which the Waterton-Belly Rivers Reference was terminated. As it was one of the few occasions in the Commission's history when the Commission divided equally, it was somewhat of a blow to Governor Jordan on the occasion of the first semi-annual meeting over which he presided. He and his colleagues showed remarkable restraint when General McNaughton adamantly pressed the divisive motion. This stage was inevitable, however, because the Commission had been stalemated for four years over this reference. Two years ago, the governments had already called for the termination of it and Alberta seemed determined now to start works to put the waters of these Rivers to use. Any further delay would, in the long run, have tended to bring the Commission into disrepute: either the Commission could solve the problem *within* the terms of the reference or *outside* it by using its good offices. As it could not settle the issue either way, it was better to admit it (even by a split in the Commission) than to delay another year and risk seeing Alberta start developing their resource regardless of the I.J.C. reference.

5. Two days later, on Thursday, April 7, I was expressing these views privately to Governor Jordan when he asked me to retire with him to his office. He asked my private view as

¹⁹⁹ Pour la déclaration de McNaughton devant la CMI le 5 avril, voir Canada, Chambre des Communes, Comité permanent des Affaires extérieures, *Procès-Verbaux et Témoignages*, N° 13, séance du 7 juin, 1956, Appendice A, pp. 27-30. Pour le témoignage de McNaughton devant le Comité des Affaires extérieures, voir Chambre des Communes, Comité permanent des Affaires extérieures, *Procès-Verbaux et Témoignages*, N° 1, séance du 1^{er} mars, 1955 et du 9 mars, 1955, pp. 34-50.

For McNaughton's statement before the IJC, see Canada, House of Commons, Standing Committee on External Affairs, *Minutes of Proceeding and Evidence*, No. 13, June 7, 1956, Appendix A, pp. 355-358. For McNaughton's testimony before the External Affairs Committee, see Canada, House of Commons, Standing Committee on External Affairs, *Minutes of Proceedings and Evidence*, No. 1, March 1 and March 9, 1955, pp. 32-47.

to the attitude he should take in his relations with General McNaughton. He had not seemed yet to be able to get on the same "wave-length" as the General. He was concerned because he would have to make some public statements in the U.S.A. to counter some of the General's "fantastic" statements about downstream benefits made before the External Affairs Committee. He was concerned, he said, lest such statements prevent the establishment of that close personal relationship which should exist between them. (General McNaughton had previously expressed the view that Governor Jordan was really more of a front man and he (the General) was, at one point, before the Washington meeting, almost ready, as it were, to punch the bag.)

6. I ventured the personal opinion that if the Governor felt it necessary to speak publicly in contradiction of his colleague, it would be proper and useful for him to tell the General in advance of his intentions. It was, I thought, of capital importance that trust should grow up between both chairmen. If the Governor had some basic data which was not in the possession of the General and which the Governor felt free to disclose to the General, I was sure it would be most welcome because there was a lack of information in Canada.

7. In the course of the conversation I understood from Governor Jordan that his main duty was to act as the Administration's coordinator of the country's power development policy — with access to the White House. Governor Jordan said that the Corps of Engineers Columbia River Study 308 (which had been completed between 1935 and 1950, if memory serves, at a cost of some \$10 million) was now outmoded. He told me that the U.S. government now had a preliminary forecast of its power requirements up to 1985 for — as I understood it — the Columbia basin in the U.S.A. A report had been prepared as of January 1955 and — subject to checking — it illustrated two basic facts for which he showed me the charts and figures:

(a) in 1985 the power requirements for the Northwestern United States would be so high that (as I estimated from a chart) something of the order of 60% or better of the power in this U.S. sector would be other than *hydro* produced; and

(b) that while the value to the U.S.A. of stored Canadian water now would be of the order of, say, 120 million megawatt hours annually, by 1985, the value of stored water downstream would have diminished to, say, about 40 million megawatt hours annually.

8. Governor Jordan (who, incidentally, stated that he had followed closely the application of nuclear fuel to the production of electrical energy during the last several months) said that the U.S. scientists were progressing favourably in this field and some had hopes of *converting atomic to electrical energy directly without passing through the thermal stage*. (This is the sort of development which General McNaughton had said in Ottawa a week previously could completely upset his calculations.)

9. I said to Governor Jordan that his information seemed to be of the highest interest. I urged him, so soon as he could do so, to discuss these and other problems quite frankly and in all confidence with General McNaughton. If the Report he had shown me could be examined and studied in confidence by Canadian authorities, it would be a useful basis for confirming or informing some views therein contained. As it appeared that the U.S.A.'s thinking and technical studies had gone further in the field of application to the Columbia basin, making such information available to Canadian officials could only bring us into the picture and help to remove the seeds of future misunderstandings. The Governor said he would consider the matter and try to go fishing with the General ... He said he would be delighted to maintain contact also on these matters with Mr. Heenev or his Minister.

10. It might be that what Governor Jordan told me was calculated to try to "panic" the Canadian side. I doubt that, in doing so, Governor Jordan would be in character and

whether he would have acted in this manner so late in the Washington meeting. However that may be, it is probable that

(a) Governor Jordan is a key figure in the Administration for the formulation of the power development policy; (incidentally, he appears to be anti-Morse and anti-Neuberger);

(b) U.S.A. thinking is much further advanced than the Canadian thinking as regards the requirements and possibilities of power development in the Columbia basin.

E.A. CÔTÉ

478.

DEA/5724-40

*Note du sous-secrétaire d'État aux Affaires extérieures
pour le secrétaire d'État aux Affaires extérieures*

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

CONFIDENTIAL

[Ottawa], September 26, 1955

DOWNSTREAM BENEFITS IN THE COLUMBIA RIVER

One of the important international water problems before the International Joint Commission is the uses which are to be made of the waters of the Columbia River system by Canada and the United States. As yet, the surveys and studies being made in Canada by the International Columbia River Engineering Board under the Columbia River Reference are not complete. At the last semi-annual meeting of the I.J.C., however, in April 1955, good progress was reported.

2. One of the major issues between Canada and the United States is the question of downstream benefits. The question revolves on the point that if Canada provides storage facilities upstream by means of reservoirs and regulates the flow of the water to the United States thus enabling present outputs of power downstream to be increased, then Canada would expect to receive suitable compensation for this added power. It is obvious that downstream areas would like to keep for themselves all the downstream power made available through regulated flow and to provide compensation only for the damage caused by the construction of the upstream storage facilities. Canadian interests upstream, however, argue that mere compensation for damages would not be a fair return for this added wealth. They contend that it is the construction of storage facilities upstream that render possible an increase in power potential downstream; this additional power should therefore be shared equitably between upstream and downstream interests. It appears that a compromise will have to be worked out whereby the Canadian upstream areas will receive an adequate and fair share of downstream power.

3. The Canadian position respecting downstream benefits was reaffirmed at the semi-annual meeting of the I.J.C. in April 1955 by General McNaughton, Chairman of the Canadian Section, when he outlined present Canadian plans for the possible development of the Columbia River water resources in Canada. In addition, General McNaughton outlined to the Commission four projects, which might be developed in cooperation with the United States, all of which involve storage of water in Canada and development of power in the United States:

- (1) Temporary use downstream of a regulated flow from Mica Creek storages.
- (2) Murphy Creek storage on a cyclical basis.

(3) The possibility of Canada permitting an increase of level of approximately 42 feet at the point where the Columbia River crosses the boundary at the United States. This would permit a corresponding increase in the height of the Grand Coulee Dam.

(4) The possibility of Canada permitting an increase of level of 37 feet at a point where the Kootenay crosses the boundary into the United States, that is, the eastern crossings, thereby flooding upstream to the tail waters of the Dorr Dam. This would permit a corresponding increase in the height of the proposed dam at Libby, Montana, above the water level at the boundary.

4. General McNaughton pointed out that if the United States Section of the I.J.C. was willing to discuss these projects it must be understood that safeguards must be included to preserve and protect all Canadian interests.

5. General McNaughton has discussed this matter with us recently, pointing out that he did not think that the United States members of the I.J.C. were ready to discuss the projects or the issue of downstream benefits. At the same time, he is prepared, if this Department agrees, to remind the United States Section of the I.J.C. that these offers of discussion are still open.

6. This matter has been discussed with Mr. E.A. Côté, Assistant Deputy Minister of Northern Affairs and National Resources, and it is his view that the above proposals should not be repeated at the October meeting. He considers that we are, in effect, offering very little and that to repeat the proposal would only serve to irritate the United States Commissioners.

7. Although it was doubtless desirable at the time to outline our long term interests by a statement before the International Joint Commission, it does not appear necessary to repeat anew the suggestions made in April 1955. Moreover, until the new Interdepartmental Committee on Water Use Policy has started to function, we are not in a position to make much progress in defining Canadian policy on the Columbia River.

8. If you agree, therefore, Mr. Wershof, in his new capacity as Counsel for Canada at the International Joint Commission semi-annual session which begins on October 4, might suggest to General McNaughton that it does not seem necessary to repeat the proposals made in April nor to set out at length Canadian views on the Columbia River Basin, unless, of course, the United States Commissioners initiate a general discussion on the matter.²⁰⁰

J. L[ÉGER]

479.

DEA/5724-D-40

*Rapport de la réunion semi-annuelle
de la Commission mixte internationale*
*Report on Semi-Annual Meeting
of International Joint Commission*

RESTRICTED

[Ottawa], October 4-7, 1955

I.J.C. DOCKET NO. 51 (AGENDA ITEM NO. 1) COLUMBIA RIVER REFERENCE

Mr. J.D. McLeod presented the Twenty-third Progress Report to the International Joint Commission by the International Columbia River Engineering Board for the period April

²⁰⁰ Note marginale :/Marginal note:
OK [L.B. Pearson]

1, 1955 to September 30, 1955. This report indicates that good progress continues to be made on mapping, damsite and hydrological investigations in both Canada and the United States and that studies are being made in British Columbia on irrigation, domestic water supplies and soil surveys. On the matter of planning, studies are continuing in Canada on alternative methods of development of the Kootenay River including diversion of headwater flow to the Columbia at Canal Flat and the development on the main stem of the Columbia River at the Murphy Creek site near Trail. In the United States two special inter-agency reports providing factual data relating to the effect of various storage projects in the United States and Canada on flood control and power generation at downstream projects in the United States were released. Progress on construction in the United States in the Columbia River Basin was also included in the report read to the Commission.

In reply to the statement made at the April 1955 meeting of the International Joint Commission by General McNaughton concerning plans for the possible development of the Columbia River water resources in Canada, *Governor Len Jordan* requested that he be permitted to make public a statement which he would read at the meeting outlining the views of the United States section of the Commission. Governor Jordan's request was granted.²⁰¹ In his statement *Governor Jordan* challenged the legality of Canada's proposed diversion of the Columbia River and expressed the following views as to what constituted basic rights:

(1) Both the United States and Canada recognized the doctrine of appropriation as being applicable in the area under construction.

(2) Under the doctrine of appropriation, the appropriator who is first in time is first in right.

(3) A right is established when the actual appropriation is made.

On these axioms, the United States Chairman contends that should Canada proceed with the Columbia-Fraser diversion very great injury would result to downstream interests in the United States. He further expressed the view that if this diversion were to be effected by Canada, the United States as an injured Sovereign would not be limited to the redress provided for an injured "party" by Article II of the Boundary Waters Treaty. The four proposals made by General McNaughton at the April 1955 meeting concerning the projects which might be developed in co-operation with the United States for mutual benefit were not acceptable to the United States Section of the International Joint Commission. *General McNaughton*, in reply, stated that as far as he could see from first observation, all the arguments in Governor Jordan's statement had been considered before the Canadian proposals were made.²⁰² The legal aspects raised by Governor Jordan would be a matter for further study but he considered that what Canada had proposed was right and generous to the United States.

The discussion closed with *General McNaughton's* proposal that in the light of the importance of Governor Jordan's statement, a thorough study of it should be made by the International Joint Commission.

²⁰¹ Pour le texte in extenso de la déclaration du gouverneur Jordan, voir Canada, Chambre des Communes, Comité permanent des Affaires extérieures, *Procès-Verbaux et Témoignages*, N° 13, séance du 7 juin, 1956, Appendice B, pp. 44-50.

For the verbatim text of Jordan's statement, see Canada, House of Commons, Standing Committee on External Affairs, *Minutes of Proceedings and Evidence*, No. 13, June 7, 1956, Appendix B, pp. 374-380.

²⁰² Pour la déclaration de McNaughton, *ibidem*, Appendice C, p. 51.

For McNaughton's statement, see *ibid*, Appendix C, p. 381.

480.

DEA/5724-E-40

*Note de la Direction de l'Amérique
pour le sous-secrétaire d'État adjoint aux Affaires extérieures*

*Memorandum from American Division
to Assistant Under-Secretary of State for External Affairs*

RESTRICTED

[Ottawa], November 3, 1955

VISIT OF SENATOR NEUBERGER TO COLUMBIA RIVER VALLEY
IN BRITISH COLUMBIA

A few days ago Senator Neuberger made a visit to British Columbia seeking information about the Columbia River Valley. He made a speech to the Canadian Club; he made some statements to the press, and he called on Messrs. Herridge and Green, who are respectively CCF and Conservative Members of Parliament. He also spoke with the District Engineer of the Water Resources Division of Northern Affairs. Senator Neuberger's visit first came to the attention of people in Ottawa through a report from the District Engineer to his Department. In his speech to the Canadian Club (not attached) and in other statements, Senator Neuberger was quite friendly in tone, although he upheld the United States attitude on the diversion of water from the Columbia Valley. He endorsed, for example, the theory of compensation in electric power by the United States to Canada. He expressed the view that both the United States and Canada would have to move somewhat from their present positions in order to provide for a solution. He later wrote a letter to Mr. Lesage, Minister of Northern Affairs and National Resources, describing his trip and asking for certain information. Mr. Lesage wrote a friendly letter back, giving the information.

2. There is one aspect of Senator Neuberger's trip which seems to call for some action by this Department. In his letter to Mr. Lesage, and in his speech to the Canadian Club, Senator Neuberger said that he had made the trip on behalf of a Committee of the United States Senate and at the behest of the Chairman of the Committee. Mr. Lesage's letter made no reference to the fact that he had acted on behalf of the Senate Committee. In a recent conversation between Mr. Côté and Mr. Dubs of the U.S. Embassy, this question arose. Mr. Côté told Mr. Dubs about the exchange of letters and about Senator Neuberger's statement that he was acting on behalf of a Senate Committee, and the fact that Mr. Lesage's reply made no reference to this. Mr. Côté said to Mr. Dubs that he might be hearing from us on this point.

3. It seems to me that we might mention this matter in an informal way to the United States Embassy.²⁰³ We might remind the Embassy that if a Senate Committee wants to conduct investigations in Canada, certain formalities are required. An extreme example of which might be involved is the elaborate arrangement made for the questioning of Gouzenko by two United States Senators. It was then arranged that a Canadian judge should preside at the questioning and other Canadian officials were present. If the investigation were of less political importance, it might be possible, of course, to arrange a sim-

²⁰³ Notes marginales :/Marginal notes:

I strongly concur. M. W[ershof]

This should be very informal. Neuberger is very friendly towards Canada & nothing should be done or said that might indispose him. We may need him over difficulties with the U.S. over the diversion of water problem. J. L[éger]

pler procedure. However, rather than embark on this sort of thing, it would seem preferable that, if Senator Neuberger wishes to make a fact-finding expedition to any part of Canada in future, he might do so on his own account rather than on behalf of a Committee of the United States Senate. This would not, of course, prevent him from using any information he gained in his capacity as a member of a Senate Committee. He would probably gain just as much information in this way as by proceeding in a more formal capacity, and the procedural difficulties indicated above would be avoided.

4. If you concur, therefore, we shall speak along these lines to the Embassy, after receiving copies of the exchange of letters which Mr. Côté has undertaken to send to us.²⁰⁴

T. LEM. CARTER

481.

PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET

[Ottawa], November 21, 1955

...

COLUMBIA RIVER, B.C.; POSSIBLE DIVERSION INTO FRASER RIVER BASIN

6. *The Secretary of State for External Affairs* noted that the Chairman of the U.S. Federal Power Commission was apparently prepared to use his good offices to expedite the granting of applications now before the commission relating to construction of the natural gas pipe line between Alberta and eastern Canada. This was gratifying but sight should not be lost of the fact that an increasingly difficult situation was developing with the commission and other U.S. authorities about the study being made on the possibility of diverting water from the Columbia River into the Fraser River basin.

7. *The Minister of Trade and Commerce* thought a committee might be established to consider problems connected with the Columbia and Fraser River basins in British Columbia.

8. *In the course of discussion* it was suggested that, if the current surveys indicated the possibility and practicability, from an economic point of view of diverting certain waters from the Columbia into the Fraser to increase the latter river's power potential, this might prove to be a very useful bargaining point in obtaining reasonable downstream benefits on the Columbia River. However, this whole matter should be handled with the greatest caution. Whatever the legal situation might be, it did not seem equitable or practicable politics for Canada to divert waters which in their natural state would flow into the United States. Furthermore, there was the real problem of possible serious harm to the valuable salmon fisheries of the Fraser if the proposed diversion took place.

9. *The Cabinet* noted the various comments on the current survey of the possibility of diverting water from the Columbia River into the Fraser River basin and the harm that might be done to Canada's good relations with the United States if this delicate problem were mishandled in any way.

...

²⁰⁴ Note marginale :/Marginal note:

Note: At Mr Carter's request I spoke informally to Mr Dubbs of the U.S. Embassy along the lines of para[graph] 3 & keeping in mind the remarks of the Under-Secretary. Nov 16/55 A.F. B[roadbridge]

482.

DEA/5724-E-40

*Note de la Direction juridique
pour la Direction de l'Amérique*
*Memorandum from Legal Division
to American Division*

CONFIDENTIAL

[Ottawa], November 25, 1955

Reference: Your memoranda of November 1, 1955† and November 3, 1955.†

LEGAL STATUS OF THE PROPOSED DIVERSION OF THE COLUMBIA RIVER
INTO THE FRASER RIVER

Your memoranda under reference appear to raise the following questions:

(1) Is the statement of Governor Jordan, Chairman of the United States Section of the International Joint Commission, on the doctrine of appropriation a correct statement of Canadian law applicable to the Columbia River Basin?

(2) Is Governor Jordan's statement on the doctrine of appropriation a correct statement of the international law applicable to the Columbia River Basin?

(3) What steps are necessary to make an appropriation in the sense referred to by Governor Jordan insofar as international law is concerned?

(4) What steps are necessary to make this appropriation insofar as Canadian law is concerned?

(5) Do we share Governor Jordan's view that the injury within the meaning of Article II of the Boundary Waters Treaty, which would result from the proposed diversion of water from the Columbia River, would be suffered by the United States as a high contracting party rather than by an injured party as described in Article II of the Boundary Waters Treaty?

(6) If the answer to question (5) is in the affirmative, do we likewise agree with Governor Jordan that a high contracting party to the Boundary Waters Treaty is not limited in seeking redress to the provisions of Article II of the Boundary Waters Treaty?

(7) If so, under what other authority would a high contracting party be entitled to seek such redress?

(8) Do any of the foregoing questions require a reference to be made to the Department of Justice?

2. It is proposed to deal with all these questions together in my general remarks and then to deal with each one separately in the light of what I have said. Before going any further I would like to quote the precise language used by Governor Jordan in referring to appropriation doctrine in his statement on the Columbia River Reference at the semi-annual meeting of the International Joint Commission in Ottawa on October 4, 1955:

"With respect to the above-quoted remarks, (referring to General McNaughton's statement made at the semi-annual meeting of the International Joint Commission in Washington in April 1955 outlining the Canadian plans and views concerning development of the Columbia and adjacent basins), certain basic axioms should be mentioned. They are:

(1) Both United States and Canada recognize the doctrine of appropriation as being applicable in the area under consideration.

(2) Under the doctrine of appropriation, the appropriator who is first in time is first in right.

(3) A right is established when the actual appropriation is made.”

3. I find great difficulty in understanding exactly what Governor Jordan had in mind when referring to the “doctrine of appropriation”. It would appear, however, that in developing this doctrine Governor Jordan was attempting to rely on the general international law principles governing the method by which states can add to their territories or lay claim to a particular piece of territory which may be in dispute. Arguing from this premise Governor Jordan is apparently taking the position based on an analogy to the doctrine of appropriation, that Canada is prohibited from taking any action on her side of the border which would impair or endanger the enormous power projects that the United States have constructed in the Columbia River Basin.

4. The heart of Governor Jordan’s argument seems to be contained in the following quoted portion from page 5 of his statement on the Columbia River reference at the semi-annual meeting of the International Joint Commission in Ottawa on October 4, 1955.

“All of these projects were planned and all of the funds are committed in anticipation that the waters of these international rivers would not be utilized by Canada in such a way as to jeopardize downstream interests.

“Frankly, we are convinced that the diversion of 15,000,000 acre feet of water annually from the Columbia to another watershed wholly in Canada would result in very serious injury to downstream interests in the United States.”

5. However, our view is that the appropriation theory — which relates solely to the acquisition of new territory or to territory in dispute — has no application whatsoever to the questions under consideration. Although we are dealing here with a question relating to boundary waters no actual boundary is in dispute. For these reasons no useful purpose would appear to be served to attempt to pursue the doctrine of appropriation further in relation to this matter.

6. This brings us to the question of what are the general principles of international law involved here? The fact of the matter is that the applicable international law principles have been embodied in the Boundary Waters Treaty of 1909 with particular reference to Article II.

7. Under international law it is recognized that rivers are a part of the territory of the riparian state through which they flow. “consequently (a) if a river lies wholly, — that is, from its source to its mouth, — within the boundaries of one and the same state such state owns it exclusively. As such rivers are under the sway of one state only and exclusively they are named *national rivers* ... but many rivers do not run through the land of one and the same state only, (b) whether they are so-called *boundary rivers*, that is, rivers which separate two different states from each other, or (c) whether they run through several states and are therefore named *not-national rivers*. Such rivers are owned by more than one state. Boundary rivers belong to the territory of the states they separate ... [A]nd rivers which run through several states belong to the territories of the states concerned; [e]ach state owns that part of the river which runs through its territory.” (See pp. 370-372 of Oppenheim’s *International Law Volume I*, fourth edition.)²⁰⁵ Also no state in spite of its territorial

²⁰⁵ Voir/See Lassa Oppenheim, *International Law: A Treatise, Volume I: Peace*, London: Longmans, Green and Co. Ltd., 1928.

supremacy is allowed “to alter the natural conditions of its own territory to the disadvantage of the natural conditions [of the territories] of a neighbouring state, for instance, to stop or to divert the flow of a river which runs from its own into a neighbouring territory”. (See p. 254 *ibid.*)

8. These general principles of international law have been clearly incorporated in the Boundary Waters Treaty of 1909 with particular reference to Article II. Thus the real question which has to be considered is whether the proposed diversions would be in violation of the Boundary Waters Treaty and the only article of this Treaty which appears to be strictly relevant to this question is Article II. In our view Article II vests in Canada: “the exclusive jurisdiction and control over the use and diversion whether temporary or permanent of all waters on its own side of the line which in their natural channels would flow across the boundary or into boundary waters” subject however to the condition that if Canadian interests divert or interfere with any such waters in such a manner as to cause any injury on the United States side of the boundary the United States interests concerned shall have the same rights and be entitled to the same legal remedies “as if such injury took place in the country where such diversion or interference occurs”.

9. Thus in the event of any of the proposed diversions causing injury within the meaning of Article II of the Boundary Waters Treaty to any interest on the United States side of the boundary a claim can be made accordingly.

10. Turning now to the specific questions that you have raised, as indicated above I have had great difficulty in following Governor Jordan’s arguments as to the relevancy on the doctrine of appropriation to this particular situation. In any event our view is that this doctrine as expounded by Governor Jordan is not in any way applicable to the present situation. This would seem to provide a complete answer to the first four questions.

11. As regard the fifth question, I assume it has reference to the following quotation from page 6 of Governor Jordan’s statement:

“I think it proper to point out at this time that the injuries downstream occasioned by the annual diversion of 15,000,000 acre feet of Columbia water to another basin will be suffered by a Sovereign — one of the High Contracting Parties — namely, the United States of America. Obviously, therefore, the United States, as an injured Sovereign, will not be limited to the redress provided for an injured party (spelled with small letter ‘p’) by Article II.”

12. As you can see from this statement Governor Jordan does not rule out the possibility of private interest being able to claim. He merely states that United States as one of the High Contracting Parties would also be able to make a claim which I think is perfectly correct assuming it became an injured party within the meaning of Article II.

13. As regards questions 6 and 7, as indicated above, the international law principles governing this matter have been incorporated in the Boundary Waters Treaty. While the Boundary Waters Treaty does not specifically limit the remedies of either Contracting Party to the provisions of the Boundary Waters Treaty nevertheless as a practical matter there is no other remedy open to the High Contracting Parties in view of the fact that the Treaty in effect furnishes an even more precise remedy than would be available under international law.

14. Coming to the last question, in our view the necessity of consulting with the Department of Justice does not arise, as all the points raised in your memorandum are of a purely international law character.

15. In conclusion I might say and with particular reference to paragraph 10 of your memorandum of November 1 that there is considerable similarity between this and the Chicago

diversion question as discussed at length in our memorandum to you of November 15, 1955.† Exactly the same principles appear to be involved except that in the case of the Chicago diversion question the roles of Canada and the United States are reversed with Canada looking at the situation from the point of view of being a prospective injured party.

GILLES SICOTTE

SECTION E

DÉTOURNEMENT DE CHICAGO
CHICAGO DIVERSION

483.

PCO

*Note du secrétaire d'État aux Affaires extérieures
pour le Cabinet*

*Memorandum from Secretary of State for External Affairs
to Cabinet*

CABINET DOCUMENT NO. 159-55

[Ottawa], July 22, 1955

CONFIDENTIAL

CHICAGO DIVERSION — DRAFT NOTE TO THE UNITED STATES

On July 6, 1955 the House of Representatives of the United States Congress approved a bill concerning a proposal to divert from Lake Michigan at Chicago into the Illinois waterway for a period of three years, a maximum of 2500 C.F.S. in addition to all domestic pumpage, instead of the present maximum of 1500 C.F.S. An identical Senate bill is expected to be referred to the Senate Committee on Public Works and then to the Senate before the end of the current Congressional session.

2. Our Embassy in Washington predicts that the bill will be passed and that the President will not veto the bill as he did a similar bill last year.

3. In the past, the Government of Canada has always opposed any attempt to increase the diversion at Chicago on the grounds that such a diversion will adversely affect navigation and power in Canada. From a report to the International Joint Commission by the International Lake Ontario Board of Engineers, dated June 14, 1955, it appears that the increased diversion of 1000 C.F.S. provided for in the United States bills would not have any substantial adverse effect on navigation in Lake Michigan and downstream. Such a diversion would, on the other hand, cause to Canada, over the next 15 years, a total loss in power of 310,100,000 kilowatt hours. It is therefore proposed that a note be sent to the State Department at an appropriate time. This note would express the view that Canada would prefer that the International Joint Commission terminate its studies of the levels of the Great Lakes before any unilateral action be taken as regards the Chicago diversion. It would further state that unless an agreement is reached by Canada and the United States to replace the power lost by Canada because of the diversion. Canada reserves the right to claim for damages under Article II of the Boundary Waters Treaty. The note would also refer to Article VI of the Treaty between Canada and the United States concerning the Niagara River signed on February 27, 1950,²⁰⁶ and suggest the revision of this article,

²⁰⁶ Voir Canada, *Recueil des traités*, 1950, N° 3./See Canada, *Treaty Series*, 1950, No. 3.

which provides that the water made available for power purposes by that Treaty be divided equally between the two countries.

Recommendations

4. The Secretary of State for External Affairs therefore recommends that the Embassy in Washington be instructed to deliver to the United States Department, at an appropriate time, a note along the lines of the attached one.

L.B. PEARSON

[PIÈCE JOINTE/ENCLOSURE]

Projet de note

Draft Note

On instruction of my Government, I should like to refer to Bill H.R. 3210, approved by the House of Representatives on July 6, 1955, concerning a proposal to divert water from Lake Michigan into the Illinois waterway for a period of 3 years at an annual average rate of 2500 c.f.s., in addition to all domestic pumpage.

The Canadian Government considers that implementation of this legislation would have a serious detrimental effect on the power potential of the Niagara and the St. Lawrence river. The interim report dated June 14, 1955 to the International Joint Commission by the International Lake Ontario Board of Engineers, appointed to study the water levels of Lake Ontario indicates that the effect on Lake Ontario levels of an increase of 1000 c.f.s. in the diversion at Chicago for a period of 3 years, would cause an aggregate total loss of power to the actual and planned power developments in Canada amounting to 310,100,000 k.w.h. over the next 15 years.

The Canadian Government therefore considers that, unless the United States Government agrees to replace the quantity of power which Canada would lose if this diversion were effected, the Canadian Government would have a right, under accepted principles of international law and under paragraph 1 of Article 2 of the Boundary Waters Treaty, to claim for damages to compensate this serious loss of power.

The Canadian Government considers also that the loss of power potential at Niagara Falls due to the diversion of waters contemplated in H.R. 3210 would necessitate a revision of Article VI of the Treaty between the United States and Canada concerning the Niagara river signed on February 27, 1950, which provides that the water made available for power purposes by that Treaty shall be divided equally between the two countries.

The Canadian Government wishes to draw attention to the fact that the Interim Report on the effect on Lake Ontario of an increase of 1000 c.f.s. in the diversion at Chicago for a period of 3 years deals with one aspect of a matter now before the International Joint Commission and that it would be in the best interest of Canada and the United States to allow the Commission to complete its studies under the Reference of 1950 on the levels of

Lake Ontario, before any change in arrangements affecting the levels and the power developments in the Great Lakes basin and the St. Lawrence river are authorized.²⁰⁷

484.

DEA/1760-B-40

*Note du sous-secrétaire d'État aux Affaires extérieures
pour le secrétaire d'État aux Affaires extérieures*

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

CONFIDENTIAL

[Ottawa], July 26, 1955

CHICAGO DIVERSION

I attach for your approval the text of a revised draft Note to the State Department on the Chicago Diversion question.²⁰⁸

2. The text of the revised draft differs in several respects from the draft which was previously submitted to you and which you submitted to Cabinet. We learned from the Cabinet Secretariat that Ministers made various observations on the previous draft and indicated that it might be improved. Accordingly, a meeting was called of representatives of the Cabinet Secretariat, the Department of Northern Affairs and this Department. In the course of discussion one or two other changes in the draft Note were suggested. It appeared particularly that the reference to the Niagara Treaty was unfortunate as it was not in the Canadian interest to open up the question of the revision of this Treaty and, particularly, the question of the division of water between the two countries which is dealt with in Article 6 of the Treaty. Furthermore, on the basis of the engineers' report of June 14, 1955 to the International Joint Commission, it seems clear that the basis of our argument should be the damage to our power interests rather than the damage to our navigation interests. Accordingly, it seemed best not to rest the argument on the Boundary Waters Treaty as the protection afforded to our power interests by this Treaty is not very strong. It also seemed preferable to alter the reference to the proceedings before the International Joint Commission and, in this connection, to refer to the President's memorandum of last year when he vetoed the previous Bill.

3. A revised text was accordingly prepared at the meeting. It has been approved by Mr. Pelletier of the Cabinet Secretariat. Mr. Côté, of the Department of Northern Affairs, has shown it to Mr. Lesage who has expressed his concurrence. As the congressional Session is drawing to a close, it seems desirable to present this Note as soon as possible. If you approve, therefore, I will instruct the Embassy in Washington to present this Note to the State Department.²⁰⁹

J. L[ÉGER]

²⁰⁷ Le Cabinet a examiné cette note à sa réunion du 22 juillet 1955 et suggéré qu'elle soit modifiée de manière à rendre plus spécifique la référence à la perte potentielle d'énergie électrique, et à protéger la position future du Canada dans l'éventualité de conséquences négatives sur la navigation et les niveaux du lac.

Cabinet considered this note at its meeting of July 22, 1955 and suggested that the note be amended to make the references to the loss of power potential more specific and to protect Canada's future position in the event that there were adverse effects on navigation and lake levels.

²⁰⁸ Voir/See Document 486.

²⁰⁹ Note marginale :/Marginal note:

postpone sending this in view of news from Washington L.B. P[earson] [July 28, 1955]

485.

DEA/1760-B-40

*Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis*

*Secretary of State for External Affairs
to Ambassador in United States*

TELEGRAM EX-1338

Ottawa, July 26, 1955

CONFIDENTIAL. IMPORTANT.

Reference: Your WA-1188 of July 15.†

CHICAGO DIVERSION

My immediately following telegram contains the text of a draft Note on this subject. We are seeking approval of the Minister for this text. In our view it is desirable that this Note should be presented to the State Department as soon as the Minister gives his approval. We assume that at this stage of the congressional Session the Chicago Diversion Bill may be raised in the Senate at any time, and we think it advisable that our view should be presented to the State Department before this takes place. If you object strongly to this course or to any part of the text of the Note, would you telephone either to Carter or to Rogers. We have in mind that a further short note should be presented if the bill passes the Senate, as was done on August 24, 1954,²¹⁰ in an attempt to obtain a presidential veto.

2. The text may have to be adjusted in some respects, particularly if the Bill before the Senate has a different number from that before the House as indicated in your telegram WA-1188.

486.

DEA/1760-B-40

*Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis*

*Secretary of State for External Affairs
to Ambassador in United States*

TELEGRAM EX-1339

Ottawa, July 26, 1955

CONFIDENTIAL. IMPORTANT.

CHICAGO DIVERSION

Following is text of draft Note. Text begins:

"On instructions from my Government, I should like to refer to Bill H.R. 3210 approved by the House of Representatives on July 6, 1955, concerning a proposal to divert water from Lake Michigan into the Illinois Waterway for experimental purposes in aid of navigation for a period of three years at an annual average rate of 2,500 cubic feet per second, in addition to all domestic pumpage. Similar bills have been introduced in the past few years requesting that Congress authorize such a diversion to promote navigation and for other purposes.

²¹⁰ Voir/See Volume 20, Document 616.

2. The Canadian Government has consistently objected to such a proposed diversion because of the harmful effects it would have on Canadian interests. The President of the United States on September 3, 1954, withheld approval from a previous bill submitted for his signature and gave written reasons for his action. In his memorandum the President pointed to the fact that studies were currently before the International Joint Commission on this subject.

3. Since that date, the International Lake Ontario Board of Engineers, in accordance with instructions from the International Joint Commission, submitted an interim report dated June 14, 1955. This report indicates the effect on Lake Ontario levels of an increase of 1,000 cubic feet per second in diversion at Chicago for a period of three years. From the viewpoint of navigation the loss is estimated at between three-eighths and five-eighths of an inch on Lake Ontario and in the harbour of Montreal. The aggregate total loss of power to actual and planned power developments in Canada which would result from the three year experimental diversion is indicated to be 310,100,000 kilowatt-hours over the fifteen years during which the effects of the three year diversion would be felt.

4. The Canadian Government has not yet had an opportunity to assess the full effects of the proposed diversion on navigation and commerce using the lower Great Lakes and the St. Lawrence River. The Canadian Government considers, however, that the implementation of this legislation would have a serious detrimental effect on the power-potential of the Niagara and St. Lawrence rivers.

5. If, notwithstanding these considerations, Bill H.R. 3210 is enacted, the Canadian Government considers that the Canadian power and navigation interests affected should be compensated in an appropriate manner."

487.

DEA/1760-B-40

*L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures
Ambassador in United States
to Secretary of State for External Affairs*

TELEGRAM WA-1274

Washington, July 27, 1955

CONFIDENTIAL. IMMEDIATE.

Reference: Your teletype EX-1338 and EX-1339 and our teletype WA-1261 of July 26.†

CHICAGO DIVERSION

As we indicated earlier today by telephone, we are now inclined to think, on the basis of the information in our WA-1261 and further information obtained today that it would be better not to deliver a note on the Chicago diversion at this time.

2. We have been able today to obtain information from the State Department which, in our view, confirms the report given in our WA-1261 of July 26 that it was unlikely that the Senate would act on the Chicago diversion legislation at this session. George Vest of the State Department's Canadian desk told us today that the information he gave us yesterday came to him from Senator Dirksen's office via the State Department's congressional liaison office. In our view this adds to the reliability of the information in our WA-1261. In the second place we learned today from the Senate Public Relations Committee staff that the Committee still has not scheduled any action on the Chicago diversion legislation and

Senator Dirksen's legislative assistant told us that he was "quite certain" that no further action would be taken at this session. Thirdly, and this, in our view, is quite conclusive, the State Department told us that in a recent letter to the Secretary of State, Senator Dirksen asked the State Department to examine all aspects of the Chicago diversion in detail "during the fall and summer" so that as much information as possible would be available when the Senate re-convenes.

3. We deduce from this information, (and we are, of course, relying heavily on the substance of Senator Dirksen's letter to Mr. Dulles) that the Senate will not act on the Chicago diversion legislation in the few remaining days of this session. In our view this would mean that the impact of a note delivered now would be considerably less than we should like it to be. It seems to us that a better time for the delivery of a note would be when the Senate begins to consider this matter again at the next session. Perhaps the best course would be for us to hold in reserve the draft note given in your EX-1339 of July 26 and to deliver it only if, despite our prediction, the Senate should act on the Chicago diversion legislation at the present session.

4. As far as the State Department is concerned, it is clear that they consider the Chicago diversion to have run its course for this session. They do not intend to reply to Senator Dirksen's letter until their legal division has had an opportunity to study all aspects of the Chicago diversion in the light of the interim report prepared by the International Lake Ontario Joint Board of Engineers. One of the questions the State Department's legal division will be asked to examine is whether or not a protest on the loss of power would be valid under Article II of the 1909 boundary waters treaty. Specifically they will examine the question whether, if additional water were to be diverted at Chicago, Canada would automatically be in a position to protest concerning the adverse effects on Canadian power potential at Niagara, and to claim compensation. Another question which may be examined is whether or not, if a Canadian protest on the question of power were filed, claims for compensation would be heard in United States or Canadian courts. We gathered also that some thought will be given to the relationship between a possible Canadian protest and request for compensation on the Chicago diversion and similar action by the United States in connection with proposed Canadian developments on the Yukon and Columbia Rivers.

5. You may be interested to know that Vest told us on a personal basis that in his view the State Department should continue to oppose the Chicago diversion and should, if the time comes, recommend presidential veto. Vest adopts this view, he said, because it seems to him that the proposed increased diversion at Chicago is a direct infringement on the Niagara Treaty.

488.

DEA/1760-B-40

*Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis*

*Secretary of State for External Affairs
to Ambassador in United States*

TELEGRAM EX-1378

Ottawa, August 3, 1955

RESTRICTED

Reference: Your WA-1274 of July 27 and our EX-1338 and EX-1339 of July 26.

CHICAGO DIVERSION

We concur in your suggestion that it is not necessary to present the Note now as it is most unlikely that the Senate will act on the bill at this session. If you learn that the Senate will act on the bill, you should inform us so that we may seek the Minister's approval for the text sent you in our telegram EX-1339.

2. It does, however, seem desirable that we should give some indication of our stand to the United States authorities in view of statements that have been made to the effect that Canada has not objected to this legislation this year. We suggest that this might be done by a letter from Glazebrook to Outerbridge Horsey or at about that level. This letter could say that the Canadian Government remains opposed to the passage of this legislation. It could further say that we understand that the Senate will not act on the bill at this session. The State Department could, however, be asked to let us know when it appears likely that action would be taken on the bill in order to give the Canadian Government a chance to present its objections in more detail. We appreciate that you would not want to rely solely on the State Department for information as to possible action on the bill, but would want to make enquiries in various places, as you have done in the past.

489.

DEA/1760-B-40

*Le ministre de l'ambassade aux États-Unis
au directeur de la Direction des Affaires du Commonwealth
du département d'État des États-Unis*

*Minister, Embassy in United States,
to Director, Office of Commonwealth Affairs,
Department of State of United States*

Washington, August 5, 1955

Dear Mr. Horsey,

You will be familiar with the exchange of views which have been held periodically in the past many months between officials of the State Department and of this Embassy concerning what is commonly called the Chicago Diversion. Recently these conversations have been more frequent, particularly after the House of Representatives on July 6 approved H.R. 3210, and after S-2550 was introduced and referred to the Senate Committee on Public Works on July 14. In view of the statements, however, which I understand have been made to the effect that Canada has not objected to this proposed legislation this year, I have been instructed to confirm in writing that the Canadian Government remains opposed to the passage of this legislation.

I have also been requested to ask that you be kind enough to inform us when it appears likely that action might be taken on S-2550, in order to give the Canadian Government an opportunity to present its objections in more detail than we have done so far.

Yours sincerely,

G. DE T. GLAZEBROOK

6^e PARTIE/PART 6EAUX TERRITORIALES : ENTRÉE DIXON ET DÉTROIT HECATE
TERRITORIAL WATERS: DIXON ENTRANCE AND HECATE STRAIT

Les documents traitant de ce sujet n'ont pas été déclassifiés.

Documentation on this subject has not been declassified.

7^e PARTIE/PART 7LA CHASSE AUX PHOQUES
PELAGIC SEALING

490.

PCO

*Note du secrétaire d'État aux Affaires extérieures
pour le Cabinet*

*Memorandum from Secretary of State for External Affairs
to Cabinet*

CABINET DOCUMENT NO. 229-55

[Ottawa], November 18, 1955

CONFIDENTIAL

NORTH PACIFIC FUR SEALS CONFERENCE

A conference on North Pacific fur seals will meet in Washington on November 28, 1955, and the participants will be Canada, the United States, the Soviet Union and Japan. The purpose of the conference is the negotiation of a convention to replace that of 1911 between the same four countries (the United Kingdom represented Canada in 1911).²¹¹ Russian co-operation under the 1911 convention was never complete, and it ceased in 1924.²¹² The convention was denounced by Japan in October, 1940.²¹³ Since 1942 a bilateral agreement between the United States and Canada has taken the place of the convention insofar as these two countries are concerned.²¹⁴ By the Yoshida-Dulles exchange of letters of February 7, 1951, Japan undertook voluntarily to prohibit pelagic sealing by its nationals until a new convention could be negotiated.²¹⁵

2. Since 1911, Canada has joined in a number of regional agreements for the conservation of fish and sea mammals, and such agreements are desirable not only for conservation reasons but also because they help to prevent international disputes. If Japan and the Soviet Union agree to a new convention at the Washington meeting, this will be some indication of their willingness to join in similar agreements for the conservation of fish. If, on the other hand, no convention is agreed to, there is a possibility that the Soviet Union might make direct concessions to Japan in order to reach bilateral understandings on fur seals and fish.

²¹¹ Voir/See Volume 1, Document 701.

²¹² Voir volume 3, les documents 836-839 et 842./See Volume 3, Documents 836-839, 842.

²¹³ Voir volume 8, les documents 288-291./See Volume 8, Documents 288-291.

²¹⁴ Voir/See Volume 9, Document 1164.

²¹⁵ Voir/See Volume 17, Document 953.

3. The 1911 convention was negotiated because widespread pelagic sealing (the killing of seals at sea) had seriously reduced the number of fur seals in the North Pacific. The Convention prohibited pelagic sealing, and the result was a great increase in the number of seals. Preliminary discussions between United States, Japanese and Canadian officials show that there is general agreement on the desirability of continued conservation of the seal herds by controls on pelagic sealing. Japanese officials maintain, however, that the seals are too numerous and that they are depleting stocks of fish, and thus Japan will likely propose that the new convention should permit limited pelagic sealing. Because of the difficulties of enforcement, there has probably always been some pelagic sealing along the Japanese coast. It is not desirable to include a provision in an international agreement, if its observance is almost impossible for one of the signatories. The United States has proposed that the new convention should "provide for the maximum sustainable productivity of the fur seal herds, modified to the extent found to be appropriate because of any demonstrable effect of these herds upon commercially important stocks of fish." The Canadian delegation should support acceptance of this formula or one like it, and could accept provisions for limited pelagic sealing, if the Japanese delegation makes a sufficiently strong case. The skins taken by Japan pelagically could be deducted from her share from the Pribilof Islands.

4. The alternative to pelagic sealing is to kill the seals on the islands to which they go each year for mating. These islands are the Pribilof Islands (United States territory), the Commander Islands (Soviet) and Robben Island (formerly Japanese, now under Soviet control). As far as is known the Pribilof herd is many times the size of that on either the Commander or Robben Islands. In return for agreeing to prohibit pelagic sealing, in which some Canadians engaged, Canada received 15% of the skins from the seals killed annually on the Pribilof Islands under the 1911 convention. This was increased to 20% under the bilateral agreement of 1942 with the United States, under which the two countries divided up the share which formerly went to Japan. In recent years the net proceeds from the sale of Canada's share of the skins have averaged over \$600,000 annually, which sum has been paid to the Consolidated Revenue Fund. As Japan is now anxious to resume participation in a fur seal convention, the United States has proposed that the new convention should distribute the Pribilof skins according to the shares in the 1911 convention. This is a reasonable proposal and should be supported by the Canadian delegation.

5. Under the 1911 convention, Canada was also to receive 15% of the skins from the Commander Islands, and 10% of the skins from Robben Island. The total value of the Commander skins received up until the Soviet Union ceased co-operation in 1924 was less than \$6,000. Under the San Francisco Peace Treaty with Japan, Japan renounced its sovereignty over Robben Island, but the territory was not ceded to another state. The Soviet Union is exercising *de facto* control, but the delegation should ensure that the wording of the new convention does not prejudice the final decision on the sovereignty over Robben Island. The total skins received by Canada from this island under the 1911 convention were worth about \$11,000.

6. There have been no preliminary discussions with Soviet officials, and the Soviet Union has not given any indication as to whether or not it will agree to divide the skins from the Commander and Robben Islands in accordance with the 1911 convention. The delegation should press for such an arrangement, but if it is not possible to secure Soviet acceptance, the practical importance to Canada will not be very great in view of the small number of skins from these islands received in the past. It may be that a concession could be made on this question to the Soviet Union in order to secure agreement on other points.

7. It is proposed that the new convention should provide for a scheme for co-ordinated or joint research on fur seals and on their management. The delegation should support this proposal. The research reports will assist in formulating future policy on the size of the seal herds.

8. The 1911 convention permits pelagic sealing by Indians and other aborigines by primitive methods. The number of seals taken by Canadian Indians in recent years is small. The United States has proposed that there be no corresponding article in the new convention. The delegation should oppose this suggestion, but if it is agreed to, the Canadian Indians might be compensated from our share of the Pribilof skins.

9. The United States has suggested dropping the provisions in the 1911 convention on sea otters and patrols, as they have been inoperative. The provision on enforcement is, however, similar to that recently incorporated in the North Pacific Fisheries convention, and so it is suggested that it be retained.

10. The Secretary of State for External Affairs, with the concurrence of the Minister of Fisheries, therefore recommends:

(a) That a delegation to be named by the Secretary of State for External Affairs, in consultation with the Minister of Fisheries, be authorized to negotiate and sign a North Pacific fur seals convention with representatives of the United States, Japan and the Soviet Union;

(b) That the head of the Canadian delegation so named and one other nominee be granted full powers to sign a convention, subject to subsequent ratification by Canada, based upon the 1911 convention, with the modifications set out hereunder;

(c) That the convention should provide for the maximum sustainable productivity of the fur seal herds, modified to the extent found to be appropriate because of any demonstrable effect of these herds upon commercially important stocks of fish, and that this formula may be interpreted to provide for pelagic sealing on a limited government-controlled scale;

(d) That the delegation should seek a division of fur seal skins based on that in the 1911 convention, on the understanding that it may not be possible for the other parties to secure a share of the skins from the islands under Soviet control, due care being taken to ensure that the wording of the convention does not prejudice the question of the sovereignty over Robben Island;

(e) That the convention should provide for a scheme for co-ordinated or joint research on fur seals and on their management and on the problems connected therewith;

(f) That the delegation should seek the retention of the provision on the rights of Indians, but may agree to its elimination;

(g) That the delegation should support the retention of the provisions of the 1911 convention on enforcement and the omission of the provisions on sea otters and patrols.²¹⁶

L.B. PEARSON

²¹⁶ Ces recommandations ont été approuvées par le Cabinet le 23 novembre 1955. La délégation canadienne était dirigée par George R. Clarke.

These recommendations were approved by Cabinet on November 23, 1955. The Canadian Delegation was headed by George R. Clarke.

491.

DEA/12386-10-40

*Extrait d'une note du chef de la Direction de l'Amérique
pour le sous-secrétaire d'État adjoint aux Affaires extérieures*

*Extract from Memorandum from Head, American Division,
to Assistant Under-Secretary of State for External Affairs*

CONFIDENTIAL

[Ottawa], January 5, 1956

NORTH PACIFIC FUR SEALS CONFERENCE

The North Pacific Fur Seals Conference which opened in Washington on November 28, is still in session. An attempt will be made in the next few days to reach agreement on a new convention. Although it would be premature to make any report on the conference, therefore, you may be interested in some general observations which derive from my attendance at the conference for two weeks in December.

* * *

7. The principal issue at the conference is whether or not pelagic sealing, or the killing of seals at sea, is to be permitted. The 1911 convention prohibited pelagic sealing because an undue number of seals had been killed in the years prior to 1911, and the herds had been reduced to very small numbers. Accordingly, drastic conservation measures were required. In 1955, on the other hand, the Pribilof (U.S.) herds are at a very high level — the population is possibly too large — and hence some relaxation in conservation measures may be possible. It is in the light of the high population of the herds that the Japanese delegation put forward proposals for the permission of pelagic sealing. Their arguments were that pelagic sealing would increase the number of seals killed and hence the revenue derived from the herds, and secondly, that there were special domestic considerations off the Japanese coast. The Japanese coastal fishermen have boats which would lend themselves to sealing, and they would catch seals when they were not engaged in catching sword fish and porpoises. In fact, at present a good deal of poaching goes on along the Japanese coast, so that an international convention permitting pelagic sealing would amount partly to legalizing what is already going on. A further argument of the Japanese is that the seals are so numerous that the amount of fish they eat is a considerable factor. This argument is of interest to Canada, for the fisheries are of much more importance to us than the seal herds, and if the fish eaten by the seals is really a considerable factor, then for this reason we would also favour cutting down the size of the seal herds.

8. Unfortunately, there had been no prior consultation before the conference, with the Soviet Union, and as a result the Soviet delegation came prepared to advocate a convention similar to that of 1911 and without much apparent flexibility in their instructions. Moreover, the majority of the seals off the Japanese coast come from the Soviet-controlled rookeries, and hence their initial reaction to the Japanese proposal was one of opposition. The Soviet delegation in general seemed to be guided by the instructions of the Soviet department which controls seal herds, and did not seem to have much general background on fisheries convention questions; nor did political considerations appear to play much role in their attitude. For instance, their opposition to the Japanese proposal was very clearly put, whereas from a political point of view one might have expected the Soviet Union to avoid direct opposition to the Japanese position.

9. The Canadian delegation is considering putting forward a compromise proposal in an attempt to bridge the gap between the Japanese and Soviet positions. A convention would be signed which would provide for an organization similar to that in other fisheries con-

ventions. There would be a commission representing the four governments for organizing co-operative research and advising on the numbers of seals to be killed. During the next five years in particular, there would be an intensive research programme. At the end of the period, the parties would make a decision on the Japanese proposal for pelagic sealing. As the rules of procedure for the convention would require unanimous agreement on measures by all the four parties, any one would still be able to veto pelagic sealing five years hence. However, the convention would leave open the question of pelagic sealing, and an attempt would be made to resolve it on the basis of scientific investigation. If the delegation puts forward these compromise proposals, it will do so on the grounds that it is in the Canadian interest, for the general reasons set out above, that the conference should succeed in drawing up a convention. If the conference fails to agree on a convention, it will make the future prospects of the North Pacific Fisheries Commission, and to a lesser extent other similar commissions, somewhat less promising.

T. LEM. CARTER

8^e PARTIE/PART 8

SOUVERAINETÉ DANS L'ARCTIQUE
ARCTIC SOVEREIGNTY

Les documents traitant de ce sujet n'ont pas été déclassifiés.

Documentation on this subject has not been declassified.

9^e PARTIE/PART 9

PUBLICITÉ SUR LE CANADA AUX ÉTATS-UNIS
PUBLICITY IN UNITED STATES ABOUT CANADA

492.

A.D.P.H./Vol. 1

*L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures*

*Ambassador in United States
to Secretary of State for External Affairs*

PERSONAL AND CONFIDENTIAL

Washington, June 9, 1955

Dear Mike [Pearson],

Bob Farquharson has just recently completed a memorandum giving his first conclusions on the business of Canadian information in the United States, and has embodied them in a memorandum to me dated June 8th. I am sending this on to you in this personal letter, first because of your own close interest in and knowledge of the subject, and secondly because the memorandum might be taken in one or two paragraphs as being somewhat critical of the Department's information operation and perhaps unsuitable for "official" submission.

I feel pretty sure that you will agree with me that the memorandum is as sound as it is direct. I think that without exception I can corroborate (for what that is worth) Bob's own evidence. His whole approach in the memorandum is a reflection of the wise and success-

ful way in which he handles information matters himself here in the Embassy. He is quite invaluable in his present post.

As you may know, I have asked Bob during the summer to visit a number of our "outside" posts to review what they are doing and what else they might do in the way of information activity. This next week he is to spend a couple of days in Detroit and in Chicago. Later on he will visit our posts on the coast. Thereafter he will no doubt have additional advice to give us.

There are no further comments I need make on the memorandum, except perhaps to say that if we can bring about slowly a modest expansion of staff in the United States under Bob's direction, I feel sure that we would get good value out of it — despite the tight situation the Department is in. It might be, for instance, that we could add a couple of officers a year for use in the United States, and Bob himself might be associated in their selection.

When you have a chance I will be glad to have your comments.

Yours ever,

[A.D.P. HEENEY]

[PIÈCE JOINTE/ENCLOSURE]

*Note de l'agent d'information
pour l'ambassadeur aux États-Unis*

*Memorandum from Information Officer
to Ambassador in United States*

June 8, 1955

CANADIAN INFORMATION IN THE UNITED STATES

The major criticism of the present Information organization in the United States is that the four officers in Washington and New York are in danger of being engulfed in routine. They are already captives of their telephones.

Answering enquiries and circulating major policy announcements represents far too large a part of their work. It slows down the very important business of making personal contacts with newspapers, correspondents, members of the House and Senate, and government officials.

As a long term project contact is being made with University professors and other educational leaders and the response indicates that a rewarding field has yet to be really worked. There is a real opportunity to get an important group of key men to understand the Canadian viewpoint. In this connection I would like to see machinery established to keep in touch with Canadian professors spending a year at an American University and also to keep Canadian post graduate students well enough informed of developments that they are in a position effectively to answer questions.

Information officers are not seeking to increase the mill run of news from Canada. They are trying to provide material and stimulate interest which will lead to more interpretative articles, more editorial discussion and some glimmering understanding "of the nice people up in the north". It is the particular objective to act when difficulties are seen developing with the hope that the more serious publications and more of the leaders will know Canada's case. Sometimes Canadians here have the feeling that despite the very real good-will

that exists towards our country, most Americans do not know the Canadian case, do not even know that a dispute exists.

Successful work along this line can be accomplished only when writers and leaders have confidence in the integrity of the Information service. It requires a factual and not a propaganda approach. It means that questions of fact have to be answered even when the answers individually do not always support the Canadian position.

It is most important that the Canadian case be placed before individual congressmen and senators. So far the policy has been followed of sending material to the Hill only when requested or to politicians known personally to the officers. This approach is slowly widening and there has been an increasing use of Canadian documents in the Congressional Record. Enquiries originating from Congressmen and Senators are now largely for information which can be used to needle the government or alternatively for use in the preparation of legislation. There has been, for instance, a lively and unpromoted interest in Canada's handling of the Salk vaccine. The Embassy had the material mimeographed and ready but it was handed out only to those who asked for it.

The officers in Washington are striving to stimulate the flow of more material from other government departments and at times from provincial governments. They are doing their best to provide as much guidance as possible for information-starved consulates. Under difficult conditions consulate staffs have done their best and the friendly relations have made the work pleasant. I hope before the end of the summer to have visited most of the posts in the United States.

The work at New York is quite different from the work in Washington. New York has the national magazines, the news and picture services, the great concentration of free lance writers, the television and radio networks. It is the place to create interest in Canadian feature stories, in magazine articles, in pictures, in any Canadian development that has a dramatic touch.

A staff of two officers — recently reduced from three — is not enough to provide proper service for people who call in person or telephone the New York office. And if the officers in New York are desk bound the unfortunate spiral starts. Because they don't get around fewer writers call and in the end the information job is reduced to doing the many things in an information way that would have to be done by other officers if there was no Information personnel. It should be remembered that the senior officer at present is, in addition, the press officer to the Canadian Delegation to the United Nations and for long periods of the year this takes up all his time. Only an officer without ambition and without imagination would fail to be frustrated in this situation.

Just in passing, and not suggested as something to emulate, the British Information Service has in New York a total staff of 141 with an additional 20 in Chicago and 16 in Washington and information officers at all other consular posts in the country.

At the seven other Canadian posts in the U.S. information work is divided among the staff with in each case the head of post taking a lively and an active interest. Reports from all posts collected in advance of writing this memo, indicate a strong feeling that opportunities are being missed through lack of staff and lack of time. There was a repeated request for more guidance papers from Ottawa. The consuls general have done their best to get to know editors but have found difficulty getting around their large areas.

All posts reported a need for material in shorter and more useful form than the texts of speeches which are the main ration at the moment. They would like condensed up-to-date papers on Canadian developments, more library material.

Several emphasized the importance of the universities as a place to send Canadian information. Recent experience in the posts has indicated a more promising return from speeches distributed to university professors than from speeches passed on to newspapers many days after delivery.

The posts are all expanding their distribution of teacher's kits and fact sheets. With more help this could be very much enlarged and I believe that the effort would have good results. There has been nothing but commendation for the material we have been distributing. I believe, however, that specific study should be given to the age groups we are trying to reach when we have found out what these age groups are. I would like to see more attractive printing of the fact sheets and a wider selection. While, as I said, circulation is increasing, we are, after all, only providing a trickle of information into the vast school system of this country.

Films represent the greatest expenditure the government is making in the Information field but apart from National Film Board commercial and travel film distribution the time and effort we put into seeing that these films are shown is so far out of line with the original expenditure as to constitute a serious waste of resources. Film demands vary directly with promotion. It is only fair, however, to say that every post puts as much time as it can spare into servicing films.

My criticism is not with the posts. There has not been enough liaison with the Film Board and clerks looking after films have not been given enough guidance. Mr. T.V. Adams of the Film Board has been making a tour of consulates and I believe that his recommendations will lead to a more efficient operation. There is enough capital invested in the film libraries to justify frequent visits from Film Board officers and to justify at least one person working full time at distribution.

All posts have a problem with speeches to be made as well as circulated and an easily revisable speakers' handbook would be welcomed in posts in all countries. The rest of the world does not face the opportunity, however, that the Kiwanis BE KIND TO CANADA week affords.

And now that Canada no longer celebrates Empire Day, Kiwanians in the U.S. have started to do so and this means another round of requests and another scurry for material, on the Commonwealth as well as Canada.

The Information Division in Ottawa is the natural fount of the knowledge the posts seek. It has, however, been steadily reduced in size and there is again the problem of the day by day enquiries taking up the time needed for more creative work.

I would like to see a re-evaluation of the feature photo operation. Pictures are a valuable source of information and picture editing in one of the most technical of Information jobs. Pictures are also expensive and a well trained picture editor, with nothing else to take up his time, would prevent wastage of money. In the picture field there is room for a pooling of all Canadian resources.

A team of writer-researchers could fill a need all posts feel for new material. I am not suggesting articles ready to pop into papers but rather the information on which newspapers could write their own stories, and speakers could write their own speeches. For special occasions, such as July 1, a name writer, or name writers in both French and English, could be assigned to do by-line features.

Canadians have long complained of the ignorance of Canada south of the border. Leaving out *Time Magazine* staff reporters — who, incidentally, write almost entirely for the Canadian edition not seen here — there were, when I last counted, only three staff employees of the American press in Canada. Neither AP nor UP employ their own men but rely

on CP and BUP. News from Canada lacks an American accent, is quite often not understood and so an unfortunate amount is scrapped.

That is one reason why answering enquiries from the press is such an important job in every Canadian post. The volume of enquiries varies directly with the ability to provide information.

It is also the reason why it is so important that posts in this country be supplied with advance texts of important speeches and kept informed of Canadian developments. And because of this comparative block in press links with Canada it is all the more important that high level persons make more important speeches in the United States.

But back-stopping for press failures is at best a makeshift and there are hopes that sometime the Canadian Press will not be able to say that it alone, of all the national news services, covers its country for A.P.

If Canadian Information in the United States were to be scaled on the basis private industry now practises, it would require many times the present budget. But large information operations by governments are even more suspect abroad than they are at home and are in danger of doing more harm than good. Therefore I am in favour of maintaining a strictly factual Information Service with a small staff and a small budget.

The modest operation I believe to be desirable requires expansion from the present token level. This is particularly true in New York but it is also true in Washington and in the other posts as well.

Recruiting the proper type of person is the real difficulty and I would sooner carry on with the present limitations than rush into hiring men or women of whose judgment I was not sure. I would also like to see the staff built up on a gradual basis with the work developing first rather than engaging the man to build up the work.

It is some time since Information officers have been recruited as such. While good work has been done by untrained officers, the department has not the facilities for training professional Information workers. The type of men needed cannot be secured as long as the government limits the promotion of all recruited in this category.

The Department does not hesitate to ask young foreign service officers to take on all types of work including Information. In the same way young Information-trained men could be engaged as foreign service officers and given the opportunity to do Information work and in smaller posts take on other duties as well. This might be the answer to the problem in some of the consular posts. On the present rotation system it would provide a haven of professionals in Ottawa.

R.A. FARQUHARSON

CHAPITRE V/CHAPTER V
EUROPE ET L'UNION SOVIÉTIQUE
EUROPE AND THE SOVIET UNION

PREMIÈRE PARTIE/PART 1

EUROPE DE L'OUEST
WESTERN EUROPE

SECTION A

INTÉGRATION D'EUROPE DE L'OUEST
WESTERN EUROPEAN INTEGRATION

493.

DEA/11143-40

*Note du sous-secrétaire d'État aux Affaires extérieures
pour le secrétaire d'État aux Affaires extérieures*

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

CONFIDENTIAL

[Ottawa], September 23, 1955

MR. SPAAK'S VIEWS ON EUROPEAN INTEGRATION

In preparation for your talks with Mr. Spaak,¹ you may be interested in the latest information available to us on the progress of the Commission set up by the Messina Conference to study various aspects of European economic integration.² Mr. Spaak has, as you know, been spending a good deal of his time and energy this summer with these Commissions of technical experts and has been Chairman of the Steering Committee to which they report.

The Foreign Ministers of the Six Messina Countries (of the European Coal and Steel Community) met in The Hague on September 6 to consider Mr. Spaak's first report on the work of the Commissions. Our Embassies in The Hague and Brussels have reported that Mr. Spaak requested and received confirmation that the other Foreign Ministers concerned stood by the decision in principle which they had taken at Messina "to find means to establish a United Europe by developing common institutions, by the gradual merger of national economies, by the creation of a common market and by the progressive harmonization of

¹ Pearson avait l'intention de rencontrer Spaak en novembre 1955 en revenant de sa visite en Union soviétique et en Inde. Des problèmes d'horaire ont forcé l'annulation de la réunion.

Pearson planned to meet Spaak in November 1955 en route home from his visit to the Soviet Union and India. Scheduling problems forced the cancellation of the meeting.

² Les ministres des Affaires étrangères de la République fédérale d'Allemagne, de la Belgique, de la France, de l'Italie, du Luxembourg et des Pays-Bas se sont réunis à Messine (Italie), les 1^{er} et 2 juin 1955, pour étudier la formation d'une Europe unie, par le biais de la création d'un marché commun. The Foreign Ministers of the Federal Republic of Germany, Belgium, France, Italy, Luxembourg and the Netherlands met at Messina, Italy, on June 1-2, 1955 to discuss the establishment of a united Europe through the creation of a common market.

their social policies.³ He has evidently had difficulty with some of the Commissions of experts, particularly the Commissions studying transportation and a common market, because all of the experts did not accept without question the political decision taken at Messina that these objectives were attainable and desirable. He was, however, able to report that the work of the Commissions to date had confirmed his opinion that the most helpful direction for future progress was towards the development of a common market. In other words, Mr. Spaak has now come around whole heartedly to subscribe to the approach of his Netherlands colleague, Mr. Beyen, who has for some time believed that the "sector" approach to European integration (such as has been tried for coal and steel) could not be progressively extended to other major fields — or at any rate that integration by sectors was no substitute for establishing a common market.

The only important qualification raised by any of the Ministers was apparently by M. Pinay. Since the Geneva Conference on the Peaceful Uses of Atomic Energy,⁴ the Messina proposal to integrate the atomic research and development of the Six has been losing ground since there is now a good chance that an International Atomic Energy Agency under the United Nations will be established and regional European cooperation might well be organized under its aegis. Since the development of European atomic energy research for industrial power was one of the main French motivations in furthering European economic integration, M. Pinay now seems less inclined than he was on his return from the Four Power Conference in Geneva to push such schemes as a common European market. At The Hague, he spoke of the need for harmonising economic and social standards and of proceeding by "stages" towards the establishment of a common market, but apparently did not dissent when Mr. Spaak suggested that the aim of the Ministers should be to create a common market over a period of six or seven years.

Although the United Kingdom Government had participated in the expert Commissions and in the Steering Committee, they were either unwilling or unable to be represented at the Ministerial meeting in The Hague. They have served notice that although they might participate in a "freer trade area", they would not be a party to a European common market customs union. They have also declined to participate in any West European atomic energy agency and have continued to oppose all supranationalist trends.

The hour of decision for the Messina Powers has been put off. The Commissions are not now expected to submit their final report until October 31, and the final report of the Steering Committee will be circulated to Foreign Ministers about one month later. This means that no decisions by Governments will be taken before December; and if the Ministers decide to proceed with the establishment of a common market, treaty negotiations would not start until next spring — preferably, Mr. Spaak thinks, before the French elections.

A good deal will, of course, depend on the development of United States, United Kingdom, French and German commercial policies in the meantime. If there is to be backsliding on both sides of the Atlantic and if the convertibility of the major European currencies is not achieved as soon as we have been hoping, the movement already under way

³ Voir/See *Documents on International Affairs, 1955*, London: Oxford University Press — Royal Institute of International Affairs, 1958, pp. 163-166.

⁴ Pour une évaluation canadienne de la Conférence de Genève sur l'utilisation de l'énergie atomique à des fins pacifiques, voir Canada, Ministère des Affaires extérieures, *Affaires Extérieures*, volume 7, N° 11, novembre 1955, pp. 300-303.

For a Canadian assessment of the Geneva Conference on Peaceful Uses of Atomic Energy, see Canada, Department of External Affairs, *External Affairs*, Volume 7, No. 11, November 1955, pp. 297-300.

towards the establishment of a common market (in the sense of a customs union) for the Messina countries may be given more impetus and might take a more restrictive and protectionist trend, to our obvious disadvantage.

Although we do not yet have enough information on which to base any long term judgement or policy, I think, it is probably fair to say that the European Coal and Steel Community experiment has not increased restrictions and barriers between the Community and the outside world. It has certainly facilitated trade within the Community. On balance, therefore, we may say provisionally that it has probably not had a bad effect on our economic interests. In terms of its political importance, I think we could reasonably say that it had served to strengthen our Western European allies.

Whether we would be able to say the same about any of the prospective developments which are being examined by the Messina Commissions, I do not know. I can see nothing against atomic energy cooperation on a Western European basis which could be fitted into broader international cooperation under the United Nations. But we would hope that any progress towards the development of a common market would meet the requirements of GATT, which provides in Article 24 for waivers for regional arrangements which do not add to existing discriminations and restrictions and would, therefore, be least prejudicial to Canadian economic interests. Fortunately, the Messina Commissions have shown no interest in agricultural integration.

It would, I think, be valuable for us to know more about how Mr. Spaak's mind is running on these questions. No one is more committed than he to the development of the Atlantic Pact and an Atlantic Community. You will recall Mr. Spaak's article in the April edition of *Foreign Affairs* advocating a degree of political integration among the Atlantic countries comparable to that already achieved in the military sphere.⁵ He concluded that an Atlantic Council was required for the formulation of a common foreign policy on all matters affecting the Community. No doubt he would also like to give more practical significance to Article 2, particularly now that there is a lessening of tension and a consequent slackening in the cohesiveness of NATO as a military organization.

Mr. Spaak may have heard of your proposed initiative in suggesting that there should be a general discussion, at the Ministerial Meeting of the NATO Council in December, on Article 2 and its implications. We have submitted to you separately draft letters to Mr. Howe and Mr. Harris sending them copies of a draft Departmental memorandum which carries the approval in principle of the officials of the other Departments concerned.⁶ Copies of these papers are attached in case you wish to take them to Brussels with you. The memorandum is less specific than we ourselves would have wished from the political point of view, but the December Council would, in our view, provide a useful opportunity for a NATO discussion of the international economic and commercial policies of member States; this would at least be a beginning — already long delayed.

Indeed, since Geneva, there is, I think, a real danger that, with a less immediate sense of military danger, the need for close cooperation among countries of the free world in economic and political, as well as military matters, will seem less urgent. Yet the dangers of economic friction undermining the unity which has been created are in fact likely to become more real. In the new circumstances, serious strains may appear, if the economic policies of NATO countries are not more effectively harmonized. The maintenance of our collective security requires the reduction of economic and commercial frictions within

⁵ Voir/See Paul-Henri Spaak, "The Atom Bomb and NATO", *Foreign Affairs*, Volume 33, No. 3, April 1955, pp. 353-359.

⁶ Voir/See Document 227.

NATO. Fresh initiatives designed to maintain the present momentum towards a world-wide system of trade and payments would seem to be required on both sides of the Atlantic.

From the economic point of view there are perhaps as strong arguments against the formation of discriminatory regional economic arrangements on an Atlantic basis as there are against tendencies towards uneconomic integration in Western Europe. Mr. Spaak no doubt recognizes the validity of our general reservation towards regionalism and would agree that Western European economic or political integration should not be pursued at the expense of NATO. The rather tenuous beginnings of an Atlantic Community would suffer if the development of Western European economic integration were to conflict with the principles of GATT. If, however, a common Western European market or other measures of integration can be achieved within the latitude permitted by GATT, then there need be no conflict of interests. Indeed we would naturally welcome any such strengthening of our Western European partners.

At the same time, if Western European economic or political integration were to go forward without a corresponding strengthening in Atlantic cooperation, "third force" tendencies in Europe (which see NATO merely as a temporary military stop-gap) might be encouraged to the detriment of the future of the Atlantic Community. This is not so much an argument for less European integration as for closer Atlantic cooperation in the political and economic fields. Hence our desire to discuss economic problems in NATO where such questions could be critically examined from the point of view of their impact among all members of the Community.

Mr. Spaak's enthusiasm for European economic integration may be based on the assumption that the United States Administration will not be able to make progress towards multilateralism sufficiently rapidly to maintain the momentum of European liberalization. Admittedly we share some of the doubts and face many of the same difficulties as the Western Europeans in this regard. But despite the clear signs of danger ahead, it is still our hope that United States policy and practice will permit and perhaps even encourage other countries to move forward on a multilateral basis.

Above all, with the post-Geneva slackening in military pressures, combined with the rising economic pressures for protection due to keener trade competition in all countries of the Atlantic area, the paramount need is to maintain and increase the unity of the Atlantic Community at a time when it is in danger of erosion.

During the summer, while reviewing our policy towards Article 2, we have been giving some thought to the problems which the various Western European movements towards political and economic integration pose for the Atlantic Community as a whole. As a first step, we prepared a review of current developments.† This is attached. Although no attempt is made in this paper to define the Canadian attitude towards these movements, you may find the memorandum useful for reference purposes before your talk with Mr. Spaak. The primary purpose of the memorandum is, however, to brief our European Missions and encourage them to report and comment more fully on this interesting topic. For although the United States can afford to adopt an uncritically encouraging attitude towards virtually all movements promoting Western European unity, Canada's trade position does, I think, require that we should take a more circumspect look at what is happening, not only from the political but also from the economic point of view.

J. L[ÉGER]

494.

DEA/11143-40

*Le représentant permanent auprès du Conseil de l'Atlantique Nord et l'OECE
au sous-secrétaire d'État aux Affaires extérieures*

*Permanent Representative to North Atlantic Council and OEEC
to Under-Secretary of State for External Affairs*

LETTER NO. 3518

Paris, November 16, 1955

CONFIDENTIAL

Reference: Your circular letter No. 9-755 of September 29.†

WESTERN EUROPEAN INTEGRATION

We have read with interest your paper on Western European Integration prepared for the Minister's brief which we are taking as a starting point for this letter of comment on the Canadian interest in the new initiatives for relaunching Europe now under discussion in the Brussels Preparatory Commission.

2. At the basis of the move to relaunch Europe is the concern that (1) the interests of Europe are currently being presented by relatively weak and divided voices in a world dominated by the two large powers — the U.S. and the U.S.S.R.; (2) Even a Europe united to the extent that it spoke with one voice could not make its full force felt if it remained economically divided into high cost regions with slower rates of expansion than the two great powers. The present concentration on economic unification is the result of the setback suffered on the political front as a result of the rejection of EDC. It is well to bear in mind the strong political objective, however, when considering realistically the possibilities of forming a common European market. Without the political "necessity" (as Spaak describes it) a common market would almost certainly not have any hope of success. Even with strong political pressure behind it the result would seem very doubtful indeed because of the entrenched economic interests built up behind national tariff walls and other forms of restriction. We would not hazard a guess about the outcome of this new initiative to launch a common market, but we can stress that it is a strong initiative and that it seems likely that every effort will be made to bring it to fruition.

3. We feel that it is important at this stage to consider the Canadian interest in such a move toward a common market bearing in mind that it may founder because of national interests, but also bearing in mind that if political momentum carries it forward even a few stages, the results may be more harmful for outside countries than if it were realized quickly or rejected at the outset.

4. We are not, of course, in close touch with the preparatory work in Brussels but our understanding of the results of it are briefly as follows:

(i) The main effort has been on the common market and on nuclear energy. Proposals concerning the latter have not reached us due to the delay in completing the work after the Geneva Conference on Nuclear Energy. We are therefore considering only the developments of the studies on the creation of a common market.

(ii) We would emphasize that the discussions in the common market committee have been carefully directed by Mr. Spaak away from an exposé of national difficulties and towards the technical possibilities of creating a common market and the best alternative, in the view of the experts, for bringing it about.

(iii) The experts have agreed that the best means of creating a common market is a customs union. This would mean that the six countries would have a common tariff vis-à-vis third countries and ultimately no tariffs on trade between themselves. A customs area of this nature would be in accordance with article 24 of GATT if the common tariff of the six countries were set at a level which would not "on the whole be higher or more restrictive than the general incidence of the duties and regulations of the constituent territories prior to the formation of such a union..."

(iv) Having accepted this general means for launching the common market, and after having rejected other discriminatory methods by which (in contravention of GATT) Member countries might retain separate national tariffs vis-à-vis third countries, the main points of discussion have centred on the following questions:

- (a) the level of the common tariff vis-à-vis third countries;
- (b) the rate at which tariffs vis-à-vis other members of the six should be reduced to zero;
- (c) whether harmonization of fiscal and social policies needs to precede the creation of the common market or proceed *pari passu* with the achievement of stages in the development of the common market;
- (d) the need for a readaptation fund to compensate for industries which are unable to compete in a common market.

5. The setting of a common tariff vis-à-vis third countries has run into difficulties due to the fact that the Benelux countries have low tariffs and France, Italy and to a lesser extent Germany have high tariff levels. The French have insisted that the GATT criterion for setting the tariff level vis-à-vis third countries is an absolute minimum while the Benelux countries would prefer a lower level. A point of considerable importance, however, is the general feeling in Europe that a higher European tariff would provide a very useful bargaining counter vis-à-vis the United States in future staff negotiations.

6. The rate at which tariffs between Member countries of "the Six" should be reduced has reached a greater degree of agreement among the technical experts than might have been expected. There is general agreement that the intra-European tariffs should be reduced by yearly stages to zero over a period of between 10 and 15 years. The low tariff countries want a high degree of automatism by stages while the high tariff countries wish a certain degree of flexibility. The implication of flexibility is of course highly important as it would involve the possibility of halting or slowing down the move toward the common market and perhaps solidifying the whole movement, if national pressures gained the upper hand, into a system of regional discrimination.

7. The French have been the main advocates of prior harmonization of fiscal policies and social service charges, equality of wage rates as between male and female workers etc. so that competition on the European market can be equal and fair. This of course is a very real stumbling block. The Benelux countries insist that harmonization should be accomplished by stages as tariff levels are reduced, but as far as we are aware there has, as yet, been no agreement even in principle by the experts.

8. There is general recognition of the need for an adaptation fund but of course no conclusive discussion on the amount required. Another conclusion is that the whole sector of agriculture will have to be treated in a special way and the experts are obviously aware of the close connection between trade and monetary policy and of the potential pitfalls of inflation, exchange rates etc, but as far as we are aware there has been no careful consideration of what might practically be done about these questions.

9. *Canadian Interest.* In the departmental memorandum under reference it is stated:

“From the economic point of view there are perhaps as strong arguments against the formation of discriminatory regional economic arrangements on an Atlantic basis as there are against tendencies towards uneconomic integration in Western Europe. M. Spaak no doubt recognizes the validity of our general reservation towards regionalism and would agree that Western European economic or political integration should not be pursued at the expense of NATO. The rather tenuous beginnings of an Atlantic Community would suffer if the development of Western European economic integration were to conflict with the principles of GATT. If, however, a common Western European market or other measures of integration can be achieved within the latitude permitted by GATT, then there need be no conflict of interests. Indeed we would naturally welcome any such strengthening of our Western European partners.”

We would agree fully that, from the political point of view, we should welcome an initiative which is directed toward the economic and political strengthening of Europe. We would also stress, as the memorandum does, that the economic integration of Europe need not necessarily be an exclusive or neutralist development, but might be directed along lines in harmony with the objectives of North Atlantic co-operation. We agree that it is of the greatest importance that NATO as an organization should discuss the development of this initiative and examine its consequences critically from the point of view of its impact on all members of the Community.

10. While agreeing in general with the political objectives involved in a European customs union we would hasten to point out that under some conditions a customs union might be harmful both for the general and particular interests of “the Six” and countries which trade with them. If the tariff vis-à-vis third countries were set at a high level, trade with the dollar area could be curtailed substantially and a larger high cost area might develop in the customs union. Even if a moderate tariff vis-à-vis third countries were established, it would be possible for *de facto* discrimination against dollar goods to take place depending on the means by which different rates were established.⁷ In any event the creation of a common market would almost certainly involve drastic changes in trading patterns which could affect Canadian trade. The ultimate result might or might not be beneficial to our trade, but the transition to the common market could involve considerable readjustments which would, in the short run, be detrimental to Canadian export industries and prospective export industries. The influence on U.S. trade could, of course, be even more severe. If it could be established that these adjustments were really necessary and that third countries were not being unnecessarily excluded from competing in the new customs union, there would be grounds for supporting it. But there could be many protective influences which might result in a customs union which would not, from certain aspects, strengthen the economy of Europe or of its trading partners.

11. The primary focus of concern would be the level of the tariff vis-à-vis third countries and in particular the level of the tariff on Canadian exports and potential exports. This would presumably be discussed in detail first of all among the six countries and then presented to GATT for its approval. It is conceivable that, even at the outset, bargaining considerations principally vis-à-vis the United States would become an important factor. In this matter we would have a dual interest in securing low tariff levels for our exports and potential exports and yet welcoming the additional pressure that might be exerted toward the liberalization of U.S. commercial policy.

⁷ Note marginale :/Marginal note:

but not more possible than now, surely A.E. R[itchie]

12. Another key point of interest is the question of the timing of the successive stages by which the common market of "the Six" might be achieved. If, for example, automatic reductions were made for one or two years so that European tariffs within the area were reduced by 10%—20% and if at that stage the movement ran into difficulties, the effect might be to create a semi-permanent or permanent discriminatory tariff block with a relatively high tariff rate vis-à-vis third countries. Since the French are to be included in the customs union under study it is not difficult to imagine this sort of situation arising. Nor is it difficult to imagine attempts to relate further movement toward a common market to a reduction in U.S. tariffs.

13. We have mentioned only a few of the main devices which might be exploited by a European customs union to warp its purpose and detract from its usefulness in strengthening the European economy. M. Spaak, when speaking at Strasbourg last month (see our letter No. 3322 of October 28)† made the following rather ambivalent statement: "We have no desire to be a protectionist area. Once we have become a Community of 150 million inhabitants, we shall be able to negotiate with those who do not belong to our organization with a view to obtaining increasingly large reductions in return for similar reductions in our own tariffs." Spaak emphasized that when fixing tariffs vis-à-vis third countries, "a channel of negotiations must be opened up with those who do not propose to enter the Community". We got the impression that he was referring principally to channels of negotiation with other European countries.

14. Our preliminary conclusion is that while we should not discourage the initiative to establish a customs union among "the Six" we should qualify our support and at an appropriate time make known our concern that it should develop along the right lines and that the interests of countries outside the area should be carefully safeguarded.

15. We might consider what safeguards could be established through the GATT and in more general terms through reference to Article 2 of the North Atlantic Treaty. Finally we might consider the question of bilateral channels of liaison and negotiation between the Canadian Government and whatever body may be set up to administer the customs area.

16. A convenient opportunity to discuss the initiative for the creation of a European customs union in the context of the North Atlantic Community might be provided at the next and/or subsequent meetings of the North Atlantic Council if the proposed item on Economic Co-operation under Article 2 were placed on the agenda. M. Spaak could be asked to open the discussion and we would have the opportunity of airing whatever views appeared appropriate at the time — vis the necessity of close liaison and co-operation with North America.

17. In sending you these preliminary thoughts on possible developments and Canadian interest in a European customs union, we would again stress the many difficulties which are bound to be encountered if and when discussions begin on the form of an agreement between the six countries. Our own guess is that this initiative is very likely to founder when commitments have to be taken — or it may take a more modified form.

18. The next stage in the development of proposals for the customs union will be a meeting of Ministers of the six countries which had been scheduled for early December. Whether this meeting takes place may depend on whatever decision is taken by the French Government on elections. At this Ministerial meeting, whenever it is held, a report will be submitted on the findings of the Preparatory Commission. This report is currently under preparation in Brussels under the guiding hand of M. Spaak.

L.D. WILGESS

495.

DEA/50105-E-40

*Le sous-secrétaire d'État aux Affaires extérieures
au gouverneur suppléant de la Banque du Canada,
au sous-ministre des Finances, au sous-ministre du Commerce
et au secrétaire du Cabinet*

*Under-Secretary of State for External Affairs
to Deputy Governor, The Bank of Canada,
Deputy Minister of Finance,
Deputy Minister of Trade and Commerce and
Secretary to Cabinet*

CONFIDENTIAL

[Ottawa], December 6, 1955

EUROPEAN ECONOMIC INTEGRATION

You will have already received a copy of Letter No. 3518 of November 16 from our Delegation in Paris, commenting in some detail on the new initiatives for "the relaunching of Europe", which have been under discussion in the Brussels Preparatory Commission. In his letter, Mr. Wilgress draws particular attention to the dangers of an exclusive discriminatory régime being set up among the six European countries concerned, which might involve arrangements or devices which would detract from the usefulness of the proposed European Customs Union in strengthening the European economy.

2. Letter No. 3632 of November 24,† which has just been received from the Delegation and a copy of which is attached, provides further information on the report of the Common Market Commission of the Brussels Preparatory Committee set up by the Messina Conference. In this letter Mr. Wilgress indicates that he has become increasingly apprehensive regarding the possibility of the Common Market initiative foundering after one or two years and solidifying into a regional tariff bloc, possibly with present national tariffs in force vis-à-vis a third country. In connection with any negotiations on the establishment of a common tariff, Mr. Wilgress stresses that the low-tariff countries are not likely to be willing to increase their costs and reduce their competitive position at the outset of the transition period any more than the high-tariff countries will be willing to reduce their tariff protection vis-à-vis third countries. Thus, the momentum behind the Customs Union, though initially in conformity with Article XXIV of the GATT, is likely to be quickly lost with the creation of a regional preferential bloc.

3. The Office of the United Kingdom High Commissioner in Ottawa has just made available to us copies of Commonwealth Relations Office Telegram W-323 of November 23, attached herewith, which reveals that the United Kingdom Government (a) is not prepared to join in a European market of the kind suggested, and (b) considers that "a common market as it is now seen would tend to be a regional discriminatory bloc; such a development would be contrary to the general principles of freer trade and payments to which we, and other Commonwealth countries, together with the other members of OEEC have been working".

4. I think you will agree that the question of European integration, particularly insofar as it involves present proposals for the creation of a European Common Market or a European Customs Union, is one which deserves the early attention of Canadian authorities. While the United Kingdom authorities have not specifically sought our views on these proposals, they have indicated that they would appreciate Canadian reactions. Further, it now appears quite probable that Mr. Spaak will be given an opportunity to report to the

Ministerial meeting of the NATO Council on questions relating to European economic integration, particularly among the six countries which participated in the Messina Conference. Our Ministers at the NATO Council meeting should therefore be in a position to comment on these developments.

5. Subject to the views of others to whom this letter is addressed, we would be inclined to suggest that the Canadian authorities take the following line.⁸

The Canadian Government has not had a full opportunity to study the various documents which have been prepared for the Brussels Preparatory Committee or to consider in detail the implications of the various suggestions which have been advanced for a European common market. It is, of course, well known that Canadian authorities in the past have been somewhat skeptical about the practicability and desirability of some of the more ambitious schemes for the economic integration of Europe. These authorities have been particularly apprehensive about the adoption of any plan or programme which might seriously impede or perhaps indefinitely delay progress towards the achievement of a broader and freer system of trade and payments. We would hope that any new suggestions looking towards the economic integration of certain European countries would be so designed as to avoid these pitfalls. We have in mind, in particular, the desirability of ensuring that any arrangement contemplated would show definite promise of increasing within a reasonable period the political and economic strength of the members. Any arrangement should also be so framed as to avoid, in the light of Article IX of the Atlantic Treaty, damaging relations among the NATO countries and weakening individual members of NATO or the Alliance as a whole. More specifically, it is the Canadian Government's view that satisfactory progress can best be made if the countries involved keep fully in mind their obligations as contracting parties to the GATT. To be consistent with these GATT obligations, common market arrangements for particular commodities can only be concluded if the other Contracting Parties to the GATT are prepared to grant each country a waiver from its relevant obligations. A customs union or a free trade area should only be created subject to specific procedures and recommendations of the Contracting Parties, as provided for in Article XXIV of the GATT.

This, then, is an indication of some of our present concerns. Although we fully appreciate the cogent arguments for promoting political stability in Europe, it is our view that it is not in the interests of the European countries themselves to participate in a discriminatory trading bloc which would constitute an exception to the general goal of multilateral non-discriminatory trade and payments and which would tend towards the fragmentation of the NATO association.

6. In making the above suggestions, we have tried to avoid any criticism in principle of the current proposals for the formation of a European common market. The proposals themselves are vague and adequate information is not available to us at this stage which would permit a detailed criticism, even if this were desirable. I think you will agree that it is unnecessary for Canada to do more at this stage, particularly in the NATO forum, than sound a note of caution. It may, however, be useful for us to let the United Kingdom authorities know that we share the concern which has been expressed in the attached message from the Commonwealth Relations Office.

JULES LÉGER

⁸ Une lettre en date du 13 décembre 1955 et signée par W.F. Bull, sous-ministre du Commerce, est la seule réponse ayant été trouvée. Bull appuyait les vues de Léger.

The only response located was a letter, dated December 13, 1955, from W.F. Bull, Deputy Minister of Trade and Commerce. Bull endorsed Léger's views.

SECTION B

ORGANISATION EUROPÉENNE DE COOPÉRATION ÉCONOMIQUE
ORGANIZATION FOR EUROPEAN ECONOMIC COOPERATION

SUBDIVISION I/SUB-SECTION I

RESTRICTIONS QUANTITATIVES SUR LES IMPORTATIONS DE LA ZONE DOLLAR
QUANTITATIVE RESTRICTIONS ON DOLLAR IMPORTS

496.

DEA/4901-F-40

*Le secrétaire d'État aux Affaires extérieures
au représentant permanent auprès du Conseil de l'Atlantique Nord et l'OECE*

*Secretary of State for External Affairs
to Permanent Representative to North Atlantic Council and OEEC*

TELEGRAM 1

Ottawa, January 3, 1955

CONFIDENTIAL. IMPORTANT.

Reference: Your telegram No. 1168 of Dec. 23.⁹

Repeat London No. 1; Geneva No. 1; Washington EX-1.

DOLLAR IMPORT RESTRICTIONS

We have considered interdepartmentally the position in which we find ourselves as a result of the United States representative reserving his position pending discussion with you on January 3. We would like to see the dilemma resolved but cannot see how you can go further than you did when you welcomed indications that all OEEC members agree that the resolution was not intended to involve a modification of other existing obligations. You could elaborate on this by saying that you regard the statements made in Council on this point, and the evident concurrence of all members in the United States minute, as a welcome *statement of intention* to continue adhering to principles which have been internationally accepted; but you should still maintain that this is unfortunately not what the resolution itself says. We are, therefore, not able to withdraw our objections to it. It follows, of course, that we cannot accept as adequate the United States entry in the minutes.

2. In thus explaining your attitude to the United States representative you could remind him that, while not associating ourselves with the resolution, we would wish to be as helpful as possible in connection with any studies or discussions which might be undertaken under the resolution, including the provision of such information as may be desired concerning our own commercial policies and practices; and that it is for the United States authorities to decide whether or not to support the resolution on the basis of their entry in the minutes.

3. If you find it necessary to make a further statement in Council you will, I am sure, continue to maintain our position firmly while at the same time indicating that we wish to be as co-operative as possible.

⁹ Voir/See Volume 20, Document 641.

4. We are repeating this telegram to our Embassy in Washington, asking them at their discretion to inform the State Department.

497.

DEA/4901-F-40

*L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures*

*Ambassador in United States
to Secretary of State for External Affairs*

TELEGRAM WA-12

Washington, January 5, 1955

CONFIDENTIAL. IMPORTANT.

Reference: Your telegram EX-2 of the 3 of January.†

DOLLAR IMPORT RESTRICTIONS

On Tuesday afternoon we were called to the State department by Barnett of the Office of European Regional Affairs to discuss the situation as it was left after the meeting of the OEEC Council on the 22nd of December. Ryss of the commercial policy staff of the State Department was also present, as well as Kaplan of the Foreign Operations Administration and Shearer of the United States Delegation in Paris.

2. Barnett said that he did not want to go over the differences that had separated the United States and Canadian positions during the recent discussions in Paris. That was all water over the dam. However, he did want to explain the importance that was attached within the United States Government to the dollar liberalization exercise as distinct from the resolution that was considered by the Council on the 22nd of December. It was widely considered that some publicity for this exercise would be helpful in the effort to obtain congressional approval for the president's foreign trade programme. Mr. Dulles and Mr. Stassen also wished to be able to point to this OEEC activity as a mark of the organization's vitality. For these reasons, it was hoped that some means might be found whereby the Ministerial meeting of the Council, which is to take place on the 13 of January, might note with approval the dollar liberalization exercise without becoming involved in the doctrinal disputes that marked consideration of the resolution.

3. With that end in view, Barnett said that he wished to ask two questions about the Canadian position:

- (a) How far would Canada be able to participate in the dollar liberalization exercise?
- (b) What terms of reference would we suggest for our participation?

4. Fortified by a telephone conversation earlier in the afternoon with Ritchie, we felt free to answer the first question by saying that so far as we could see, Canada would be in a position to participate in the exercise as fully as if it had been able to support the resolution. So far as the terms of reference for our participation were concerned, we suggested, on a personal basis, that since our representative would be appearing to discuss Canadian commercial policy at the request of the full members of the organization, it would be for them to propose appropriate terms of reference, if indeed such were thought necessary. It was probable, we imagined, that the Canadian Representative would be able to accept any reasonable terms of reference proposed by the full members of the organization, provided, of course, that there was no question of the discussion veering towards the possibility of an exchange of tariff concessions for reductions in quantitative restrictions.

5. After this initial period of question and answer, Shearer attempted to reopen the differences that had been expressed at the meeting on the 22nd of December about the United States interpretative note and to make known his annoyance over the terms of the second Canadian statement. However, he was quickly choked off by the other United States officials who were present, and attention was directed instead by Barnett to the procedural steps that might be taken in order to bring the dollar liberalization exercise before the ministerial meeting of the Council without reviving discussion of the resolution. Pleading ignorance of OEEC parliamentary practices, we managed to avoid saying anything about this problem, except to emphasize that the more sharply a distinction could be drawn between the resolution and the exercise, the easier it would be for our representative to forward the objective the United States authorities had in mind, either through his silence or through a statement expressing Canada's willingness to cooperate fully in the exercise.

6. One possibility that was canvassed was that the United States Representative should now inform the Secretariat that the reserve placed on United States participation in the exercise on the 22nd of December had been removed. The Secretariat would then notify the ministerial members of the Council to that effect, and through that device the way would be laid open for the ministers to note with approval that arrangements had now been successfully completed to permit the dollar liberalization exercise to go forward. Barnett said that within a few days he would be getting in touch with us again to let us know more exactly the procedural steps that the United States would like to see followed. Before setting them in train, the United States authorities would like to secure Canadian concurrence so that the unfortunate differences which had manifested themselves last month would not be repeated. We said that we would be glad to forward for your comments any precise procedural suggestions that they might wish to make.

7. It was clear throughout the meeting that the United States has now decided to participate in the exercise without making any further effort to have us change our attitude towards the interpretative note. Indeed, we received the impression that the other United States officials thought that Shearer had allowed his irritation to get the better of him when he stated in the Council meeting on the 22nd of December that, in the light of the supplementary statement made by our representative on the interpretative note, he must reserve the United States position.

A.D.P. HEENEY

498.

DEA/4901-F-40

*Le représentant permanent auprès du Conseil de l'Atlantique Nord et l'OEEC
au secrétaire d'État aux Affaires extérieures*

*Permanent Representative to North Atlantic Council and OEEC
to Secretary of State for External Affairs*

TELEGRAM 60

Paris, January 15, 1955

RESTRICTED. IMPORTANT.

Reference: Your telegram No. 45 of January 12, 1955.†

DOLLAR IMPORT RESTRICTIONS

The question of dollar import restrictions came up in OEEC Council on Thursday. As we indicated in our telegram No. 26 of January 10,† the Secretariat were strongly of the

opinion that since the normal procedure would be for the OEEC to make a public release of the Council resolution (C(54)317) to keep it restricted would be irregular and would probably not prevent the press from getting wind of it. The United States were convinced by this argument and considered moreover that the type of publicity likely to result in this case might be most undesirable.

2. In view of these strongly held positions, when the subject came up at the Council, I made a general statement and concluded by indicating that we saw no need for the resolution to be de-restricted and made public. We hoped that it would not be, but if it were distributed to the press conference we would wish to be assured that the relationship of Canada to the resolution would be fully covered. Marjolin replied to the effect that it was the normal procedure for such documents to be de-restricted, but it could be stated clearly in the cover note that Canada had not been associated with the resolution.

3. Accordingly, a paragraph for inclusion in the note to the resolution has been agreed with the Secretariat. The text is as follows: "Canada was not associated with this resolution. The Canadian Government, however, has indicated that it wishes to be as helpful as possible in connection with future studies on dollar import restrictions and has agreed to provide such relevant information as may be desired concerning Canadian commercial policies and practices."

4. At the Council meeting, Marjolin introduced the subject with a short historical statement summarizing the work already done and describing the type of exercise proposed. Waugh of the United States followed with a statement emphasizing the importance attached by the United States to the review of dollar restrictions. He noted that the United States would cooperate fully with the OEEC in this exercise and stressed the benefits which the United States considered would result to the European countries themselves from the liberalization of dollar imports. The question of reciprocal United States action was dealt with as follows: "On our part, we recognize that measures taken by the United States to facilitate imports will increase the opportunities of other countries to earn more dollars. Such earnings will provide added stimulus for the removal of restrictions by other countries. The President has recently taken administrative action to modify our "buy American" policy and has placed a high priority on the enactment of legislation — as evidenced by his message on Monday of this week to the new Congress — to provide the basis for a more liberal United States trade policy. We are encouraged by the outlook both here and in our own country for progress towards the goal of freer trade and are ourselves desirous of seizing every opportunity to achieve this end."

5. My statement followed immediately after Waugh's. Stassen then made a few remarks indicating that the United States and Canada were in full agreement on the problem which had led us to take this stand.

499.

DEA/4901-F-40

*Le secrétaire d'État aux Affaires extérieures
au représentant permanent auprès du Conseil de l'Atlantique Nord et l'OEEC*

*Secretary of State for External Affairs
to Permanent Representative to North Atlantic Council and OEEC*

TELEGRAM 965

Ottawa, September 9, 1955

CONFIDENTIAL

Reference: Your letter of August 8.†

OEEC STUDY ON RELAXATION OF DOLLAR IMPORT RESTRICTIONS

We have reviewed the replies of Member Countries to the OEEC Questionnaire on Dollar Import Restrictions.¹⁰ The content of a number of these replies confirms our earlier apprehensions about the probable results of the Council's resolution. The Resolution and the Questionnaire have been used by a number of countries as an opportunity to put forward a negative view of dollar liberalization; to justify a policy of moving slowly, and to place the onus on the United States and ourselves. A number of countries give no evidence in their replies that they regard the relaxation of restrictions on dollar imports as being in itself a desirable step in their own interests.

2. We leave it to you to judge whether a general restatement of the Canadian position taken at the time the resolution was discussed should be made. In commenting on specific points in the replies you will no doubt be drawing upon the arguments you put forward in the earlier discussions, and you may find that a general recapitulation of our attitude would be redundant.

3. As regards the individual replies we are particularly concerned with a number of the points raised by the French. Their comment that import restrictions provide necessary protection to higher cost economies is contrary to the generally accepted principle that import and exchange controls are justified only as a temporary expedient to safeguard a country's balance of payments position. The replies of certain other countries, including Germany, the United Kingdom and Italy, indicate that a relaxation of these restrictions in fact tends to reduce the cost structure of an economy. The French imply that the liberalization of dollar imports should not be allowed to disturb the trade pattern among the OEEC countries and underdeveloped areas which has been built up through regional arrangements and bilateral trade and payments agreements. This represents a serious disregard of the advantages to be gained from the widest possible multilateral trading system, and of the obligations which the members of the IMF and the GATT have assumed in this regard. France has enjoyed the advantages of membership in these organizations, and has on occasion reminded other countries of their GATT and IMF obligations. As far as their reference to the underdeveloped areas is concerned, special provisions have been worked out in the wider context of the GATT.

5. Other points which we have noted with concern are:

(a) References by a number of countries, notably Norway, Austria and Denmark, to alleged high tariffs in the United States as a deterrent to further relaxation of import restric-

¹⁰ Pour les origines de ce questionnaire, voir le volume 20, document 629.
On the origins of this questionnaire, see Volume 20, Document 629.

tions. As you know we are opposed to any such attempts to link the relaxation of quantitative controls with the reduction of tariffs.

(b) The Danish and Norwegian justification for slow motion because of vague uncertainties regarding future dollar earnings. In our view, the positive advantages to be gained from a liberalization of dollar imports would outweigh any such vague worries about future dollar earnings. Liberalization should make a substantial contribution towards expanding a country's export opportunities.

(c) The Austrian fear that a relaxation of dollar restrictions would impede the operation of her bilateral trade and payments agreements with a number of Eastern European countries. While we are aware of Austria's traditional interest in these markets, this justification for dollar import restriction is particularly dangerous. We wonder if competition from dollar goods might not result in lower cost Austrian imports from these countries.

5. On the other hand a number of replies include points which are most encouraging: the Austrian recognition that relaxation of dollar imports is a necessary step in the move towards convertibility; and the United Kingdom, German and Italian observations on the favourable effect of dollar liberalization on their domestic cost structures. These views should provide clear indications that such liberalization is in a country's own interest.

6. We suggest that you take a reasonably active but not a leading part in the discussions; we assume that the United States delegation will make the running. Your main objective should be to try to get the Working Party to produce as positive and constructive a report as possible.

500.

DEA/4901-F-40

*Le représentant permanent auprès du Conseil de l'Atlantique Nord et l'OECE
au sous-secrétaire d'État aux Affaires extérieures*

*Permanent Representative to North Atlantic Council and OEEC
to Under-Secretary of State for External Affairs*

LETTER NO. 2995

Paris, October 3, 1955

CONFIDENTIAL

Reference: Your telegram No. 965 of September 9.

OEEC MEETING OF THE "AD HOC" GROUP OF EXPERTS ON DOLLAR
LIBERALIZATION — SEPT. 26-28

An ad hoc meeting of experts on dollar liberalization took place from September 26 to 28 and it is generally agreed that it was both useful and successful. The meeting was arranged after the U.S. Representative on the Working Party on Dollar Liberalization had made repeated suggestions. The reaction in the Working Party was cool on the part of the continental representatives and negative on the part of the United Kingdom. The U.S. Representative however persisted — offering the Member countries the opportunity to quiz three U.S. experts on their commercial policies if the Member countries would agree to send experts to Paris to exchange information on the effects of dollar liberalization and discuss prospects. The Agenda of the meeting and the names of the experts are attached.†

2. The U.S. persistence in calling this meeting was based on their view that Member countries are not taking full advantage of the present favourable situation to reduce discrimination and that the effect of reducing QRs on dollar products would not have a seri-

ous effect on country balances of payments positions, but would increase the competitive power of their economies. The U.S. Delegation felt that an exchange of views between experts might serve to allay fears and provide a catalyst for further relaxations. This view was vindicated by the results of the meeting to the extent that countries which have undertaken dollar liberalization were not able to give any indication of its having had harmful effects on their economies. As a consequence, the Working Party's report which is due to be ready for Council by November 1 will probably be more positive than it otherwise might have been.

3. At the meeting questions of principle were kept in the background as much as possible. Discussion centered on the latest statistical information relating to dollar liberalization and the experts' interpretation of it. The second part of the meeting, which was devoted to an exposé of U.S. commercial policy was of a different nature. The Member countries' representatives attempted to impress the U.S. officials with the need for a more liberal commercial policy, and while the U.S. Delegation did its best to convince the meeting that its policies were generally liberal and that their aid programmes were likely to continue, they could not do more than repeat what the U.S. representatives have said over and over again in the OEEC and, of course, could not make any commitments for the future.

4. *The United Kingdom Position*

The United Kingdom expert, Leckie, in an opening statement, referred to the recent deterioration of the U.K. position and the increase in recent months in U.K. imports from the dollar area. He said the causes were complex but thought they must stem from measures of internal decontrol associated with the removal of dollar QRs. Although dollar exports were improving, an unsatisfactory imbalance had developed. He emphasized the Chancellor's intention to correct the imbalance by internal measures and repeated the warning that there would be no early moves on the trade and exchange front until the effects of the internal measures had been reflected in the balance of payments. Having said this, Leckie pointed to the necessity of increasing the world dollar supply. U.S. aid had been helpful in the past but since aid was increasingly taking the form of surplus commodities, this did not help the balance of payments situation. What was needed was a more liberal U.S. commercial policy (he mentioned that the U.K. had been particularly disappointed by recent developments.)

5. In later interventions, Leckie recalled that over half of U.K. imports had been liberalized (according to the rather artificial OEEC method of measurement). He said that 1/3 of the U.K.'s U.S. imports and 3/4 of her Canadian imports were entered free of quantitative control. Of the totals, 75% of food and feeding stuffs are freed; 66 2/3% of raw materials and 5% of manufactured products. Leckie emphasized that although the QRs on many of the products in the controlled sector had been imposed for balance of payments reasons, these controls had been in operation for over 15 years and their current fortuitous protective effect created real problems. He thought this problem of protection was real and could not be brushed aside. In summary, however, he admitted that the protective aspect as a relatively small problem.

6. When questioned about the effects of dollar liberalization, Leckie admitted that the increase in the U.K.'s dollar import reflected the increased requirements due to a high level of internal activity and demand. He did not think the increase was the result of dollar liberalization. Nor had dollar liberalization measures which had been taken by other Member countries had the effect of displacing U.K. exports to Europe. The U.K.'s share of the improving European market had decreased, but this was due more to increasing German competition than to competition from the dollar area.

7. Leckie gave the following figures on increased U.K. imports from the dollar area:

	<u>Categories</u>	<u>Increased imports from July 1954 to June 1955</u>
	Total dollar imports	up £ 144 million
	Goods on which QRs had been relaxed	up £ 57 million
	(cereals	up £ 26 million
	(iron and steel	up £ 20 million
liberalization	(non ferrous metals and ores excluding aluminum	up £ 17 million
	(coal	up £ 17 million
	(wood pulp	up £ 9 million
relaxation	(paper	up £ 6 million
	(chemicals	up £ 11 million
	(industrial machinery	up £ 1 million

8. Having admitted that these increases would have been necessary regardless of relaxation and removal of QRs in order to support the higher level of activity that had developed in the U.K., Leckie went to great pains to emphasize the U.K. view that the past did not provide a guide for future action. He said that the U.K. had not attempted to make a forward estimate of the effects of further liberalization. He thought future steps in liberalization would have to be looked at individually by sectors and that action would depend on the prevailing economic climate. Finally he agreed that, "some considerable margin for increased expenditure on dollar goods certainly does exist".

9. The U.K. position was somewhat contradictory for several reasons. The U.K. wishes to have the OEEC report on dollar liberalization point up the need for action by the U.S. to make possible larger dollar earnings by European countries. On the other hand it is obviously in the U.K. interest to have continental countries reduce dollar discrimination to the greatest extent possible in preparation for convertibility. Add to these two rather divergent interests the fact of the present U.K. economic difficulties which have apparently led them to postpone any possible moves to increase their own dollar liberalization compared with the extremely favourable developments on the continent and it is not difficult to understand this contradictory U.K. line. We suspect the U.K. may possibly be considering the effects on their trade, and leadership of the move to convertibility, if discrimination is reduced very much more rapidly on the continent than in the U.K. The total effect of the U.K. interventions was negative and it may be expected that they will take the lead in the working party to secure a report which is less positive and less optimistic than the situation warrants.

10. *The German Position*

The effects of German dollar liberalization over the last two years were of first importance to the success of the meeting. The German Delegation came to the meeting prepared to play up the large increase in dollar imports which had developed after the liberalization measures had been taken. The United States Delegation had, however, studied the German situation most carefully and the resulting discussion between the U.S. and the Germans provided a turning point in the meeting.

11. *Schmielt* (Germany) introduced the German position by pointing to the deterioration of the German dollar position. German dollar imports in first half 1955 were \$520 million — an increase of 57% over the first half 1954 when dollar imports amounted to \$330 million. During this period total imports increased by only 31%. If the first half 1955 figure were projected for the whole of 1955, the German dollar import bill would be \$1.1 billion reflecting an increase of \$400 million over 1954. *Schmielt* implied that such a large increase, which was far larger than previous forecasts, suggested, that future dollar liberali-

zation should be approached with caution, but added that no large unsatisfied demand for dollar goods existed in Germany.

12. At this point *Strauss* (U.S. Department of Commerce) pointed out that 85% of the increase could be accounted for by large increases in four or five raw materials (cotton, copper, hides and skins, non ferrous and ferrous scrap). Only 15% of the increase was due to moderate increases in 4000 or 5000 other items. The large increases in raw materials could be attributed to special features in the world markets of these materials and the remaining 15% increase was not abnormally large when the high rate of expansion of the German economy was taken into account. *Schmiett* agreed with this analysis but gave the following statistics on increases resulting from liberalization:

	1954	1st 1/2 1955	1955
goods liberalized in first German list	\$407 million	\$240 m	\$480 m
goods liberalized in second German list	\$ 43 million	\$ 57 m	\$114 m

13. In later interventions *Schmiett* indicated that the pattern and level of European trade had not suffered because of dollar liberalization either on the part of Germany or on the part of other countries. On the contrary, intra-European trade had increased and German trade in particular had undergone large increases. There had been some indication of a shift of imports of certain commodities from Europe to the United States. However, the decrease in imports from non-dollar sources appeared now to have come to a halt and these imports were now increasing after price adjustments had been made to meet dollar competition. It was felt by the German authorities that dollar liberalization had increased the competitive position of the German economy and had served to restrain an incipient inflationary condition.

14. *The Position of Sweden*

Masreliez (Sweden) informed the meeting that the far-reaching measures of dollar liberalization which the Swedish Government announced in October 1954 in fact took effect from December 1954. These measures amounted to a 58% liberalization of total imports from the dollar area (60% of finished goods). The remaining imports were under license, but in practice these licenses were granted with great freedom. Only a few commodities were under a restrictive régime.

15. The effects of this liberalization had only begun to be felt but it appeared that there had been no great influx of dollar imports. In fact the Swedish authorities had been surprised at the relatively small reaction to the liberalization measures. Increases had been greater in the non-liberalized than in the liberalized sector. Total imports increased quite considerably but this increase was largely attributed to the high level of activity in Sweden. The following table gives an indication of the increases:

	Average monthly value of dollar imports	
	July-Sept 1954	July-Sept 1955
total dollar area	83 million kr.	116 million kr.
U.S.	56 million kr.	82 million kr.

Assuming the present liberal régime is to be continued, the Swedish forecast of dollar imports for 1955 and 1956 was as follows:

	1954	1955	1956
U.S. and Canada	1 million kr.	1.4 m. kr.	1.55 m. kr.

Prior to the war 17% of Swedish imports were derived from the dollar area. In 1954 the percentage was 11% and this was expected to increase to 14% in 1955.

16. While the Swedish authorities considered that no problems had developed following dollar liberalization, they were nevertheless expecting a continuing demand for dollar goods particularly when replacement needs would have to be met in the future.

17. *The French Position*

The French expert, who was not a very senior official, took very little part in the meeting. When invited to comment he merely reiterated the position set out in the French memorandum. He noted that French imports from the dollar area had risen substantially and attributed this to a relaxation in the application of the licensing system. When asked whether the French Government might not remove some of the QRs, he stated that this would be difficult. For example, he said, the French Government might wish to allow the importation of a certain type of chemical products which were not produced in France. A year or so later after production had been built up in France, they would wish to cease importing from the dollar area. Accordingly it was preferable to keep such categories under quantitative control. This gratuitous disclosure given in a frank but tactless manner drew sharp criticism both from our representative and from the U.S. representative.

18. Later in the meeting, when prospects for further liberalization were discussed, our representative pointed to the extremely favourable French reserve position as well as other favourable factors in the French economy and trading situation and stressed our conviction, along the lines of your instructions, that a reduction of French dollar restrictions was long overdue. We also referred to the favourable results of liberalization in other countries and hoped that the French Delegation would give careful consideration to the valuable information which had been provided at the meeting on the results of liberalization and the general absence of harmful effects. We referred obliquely to the French commitments in other organizations, but did not develop this point as questions of principle were not under discussion.

19. *Frank* of the U.S. Delegation told us that the U.S. had recently made strong representations to Pinay expressing their concern at the French reluctance to take any move toward dollar liberalization. The French Delegate told us in confidence after our statement that his government now has under consideration a plan for liberalizing a small percentage of dollar products. He thought the announcement might be made within a few weeks.

20. *The Norwegian Position*

Halvorsen (Norway) referred to his country's precarious dollar balance and indicated that his government did not intend to introduce measures of formal liberalization. At present all dollar goods are under quantitative control. However, 75% of Norway's dollar imports were in practice allowed free entry. Halvorsen referred to the European structural trade deficit with the dollar area and to the need for a more liberal U.S. commercial and shipping policy. He ended his statement by saying, "It is not reasonable to expect the removal of dollar QRs without some reciprocity".

21. *The Benelux Position*

The Netherlands and Belgian experts did not play a large role at the meeting. They pointed to relatively large increases in dollar imports but did not attempt to attribute these to dollar liberalization as such. The Netherlands expert said that dollar imports into his country increased from 660 million guilders in first half 1954 to 860 million guilders in second half 1954. This increase had been largely in the raw materials sector and in large part represented "normal stocking". Other factors influencing the increase in particular sectors were: the poor South American wheat harvest in 1954, the poor copra harvest and poor delivery conditions in Europe for scrap steel.

22. The Belgian expert reported that the percentage of dollar imports compared to total imports had been relatively stable for the past three years at about 12% or 13%. Increases in imports from European sources had been somewhat greater than the increases from the dollar area.

23. *The Swiss Position*

As you know the Swiss Government does not discriminate against dollar products. Consequently the Swiss market gives an indication of the competitiveness of dollar products when percentages before and after the war are compared. The Swiss expert said that dollar imports accounted for 8% of total imports before the war. This percentage had risen to 12.8% last year. He indicated however that from 1953 to 1954 imports from Europe increased more than imports from North America—i.e.

	<u>1938</u>	<u>1953</u>	<u>1954</u>
Imports from Europe	77%	67.6%	70.7%
Imports from North America	8%	12.1%	12.8%

24. There was no indication that Swiss exporters have suffered adverse effects due to dollar liberalization by other countries.

25. *Other Country Positions*

Other country delegates took little part in the discussion. The Italians reported on a relative increase in dollar imports and appeared convinced that dollar imports would increase substantially if QRs were further removed. The Greek expert was able to report that since 1953, there had been only a 4% increase in dollar imports. After QRs were removed there had been an immediate reaction to dollar sources but soon importers reverted to traditional sources of supply. The Danish expert reported that, although dollar imports had increased following the removal of certain QRs, the greatest increases had been experienced in the non-liberalized sector where controls had been relaxed. The Danish Government is planning to remove QRs on additional sectors in the near future.

26. *Our Attitude*

We took a fairly active part in the meeting in support of the United States experts. We did not think it appropriate at this meeting to restate our general position of principle on dollar liberalization. Our main object was to point up all the favourable indications which had been disclosed at the meeting. The points we mentioned are included in the summary of the results of the meeting given below.

27. We did, however, take issue with several experts who raised the question of reciprocity for dollar liberalization. We referred to our liberal commercial policy since the war which provided full reciprocity for all past and future abolition of QRs on dollar goods. In emphasis of this point we referred to Member countries' obligations under GATT and IMF and gave our view, which was reiterated by the U.S. Representative, that lack of progress in the removal of dollar QRs coupled with implications of bargaining vis-à-vis the dollar area were the worst possible means of securing a more liberal U.S. commercial policy and maintaining a liberal Canadian policy. While there could be no question of discussing this problem in terms of reciprocity, we did however sympathize with the European desire to secure larger export opportunities in the U.S. market. We had agreed with the view that one of the prime elements in paving the way to the convertibility of currencies and a wider trading system was a more liberal U.S. commercial policy. It was important however that the European efforts to secure a more liberal U.S. commercial policy should be placed in the right context and that they should not attempt to link progress in the removal of dollar restrictions to the requirement of a more liberal U.S. commercial policy.

28. *The United States Position*

The United States Delegate, *Frank*, conducted himself very skilfully and can take a large measure of credit for directing the exchanges of views on European dollar liberalization along positive lines. He also provided a frank and able interpretation of U.S. commercial policy in the second part of the meeting. We are not reporting in detail on the

discussions of U.S. policy. Nothing new emerged. The U.S. Delegation, however, took great pains to answer every query in detail and left the impression that the Administration recognized the desirability of increasing the European share of the U.S. market.

29. The continental countries laid great stress on the instability of their dollar payments situations which were favourable now only because of extraordinary U.S. expenditures. *Frank* could not, of course, cite a U.S. commitment that the extraordinary expenditures would be continued, but he did his best to reassure the Europeans on the basis of the past history and present trends in the U.S. Government.

30. *Conclusions*

Unfortunately little time was spared at the end of the meeting for a full discussion of conclusions to be drawn from this useful exchange of views. *Frank*, however, was able to give a quick resumé of the impressions of the U.S. Delegation and made the following points:

(1) The *ad hoc* meeting had been most useful and thought might be given to a similar meeting in six months or a year.

(2) It appeared that the increases in dollar imports which European countries had experienced in the past year and a half were due to the increased level of activity in Europe and were *not* the result of the relaxation of dollar restrictions. The relaxations were an enabling factor. The influx of dollar products had the additional effect of providing a deflationary tendency in Europe at a time when inflationary trends were perceptible. Another favourable effect was the lowering of raw material prices for third countries due to the competitive influence of liberalized raw materials.

(3) Dollar liberalization had not had any harmful effects on European trade. No country had claimed it had lost markets as a result of dollar liberalization, on the contrary, intra-European trade had also increased.

(4) No country had claimed that its balance of payments had been endangered by measures already taken. Current levels of reserves and balance of payments positions confirmed this conclusion.

(5) With regard to the future effect on balance of payments, some countries had expressed fears and doubts. These were speculative but perhaps none the less real.

(6) The competitive position of European industries vis-à-vis the dollar area seemed generally very good.

(7) The meeting had pointed up the value of testing the effects of dollar liberalization by liberalizing in stages. It might even be concluded that some European countries might show a little less caution.

31. The German Delegate, *Schmielt*, who had been visibly impressed by the disclosures at the meeting, intervened to support the U.S. summary. He reemphasized that Germany had suffered no balance of payments difficulties as a result of dollar liberalization and no other difficulties. He said: "Maybe the problems have been overestimated and the advantages under-estimated". He noted, however, that there was a need for improving the structural dollar balance through more liberal U.S. commercial policies. Finally he said that Germany, which had already reached a high level of dollar liberalization, was convinced that further progress should be made and intended to take further steps. He thought Germany was now entering a critical stage in dollar liberalization and that each new item liberalized might give rise to more serious problems.

32. *Leckie* (U.K.) intervened at some length and stated flatly that the U.K. could not go along with *Frank's* summary. Even though liberalization measures taken so far had not

produced harmful results, this was no indication that further liberalization would not do so. There would be more and more difficulties as the percentage of liberalization increased. On the balance of payments side he referred to the Randall Commission¹¹ finding that a dollar gap of 1 1/2 billion still existed. The U.K. had been very disappointed at the developments on trade policy during the last session of Congress and concluded that, on the basis of U.S. policies, there was no argument for the further removal of discrimination in Europe.

33. At this point we intervened again in support of Frank's summary and in contradiction of Leckie's final remarks along the lines of the views given above and shortly thereafter the meeting ended with the U.S. Delegation and ourselves disappointed that Leckie had felt obliged to cast a shadow over the rather favourable outcome of the meeting. The U.K. for their part felt rather strongly that the summary made by Frank had been too favourable and had not referred to U.S. commercial policy.

34. The Working Party of the Joint Trade and Payments Committee which is charged with the task of preparing the report for Council by November 1 met shortly after the *ad hoc* meeting of experts. There the struggle over what conclusions were to be drawn from the *ad hoc* meeting was revived but it was decided that the Secretariat should be charged with the preparation of the draft sections concerning effects of liberalization and prospects for further liberalization before a discussion of substance was broached. These sections should be ready by October 15 when we shall forward them to you.

L.D. WILGROSS

501.

DEA/4901-F-40

*Le représentant permanent auprès du Conseil de l'Atlantique Nord et l'OECE
au secrétaire d'État aux Affaires extérieures*

*Permanent Representative to North Atlantic Council and OEEC
to Secretary of State for External Affairs*

TELEGRAM 1204

Paris, October 20, 1955

CONFIDENTIAL

Reference: Our letter No. 3087 of October 12.†

OEEC REPORT ON DOLLAR IMPORT RESTRICTIONS

The Working Group on dollar import liberalization met on October 19 to continue consideration of its report to the full committee. All four parts of the report were available and it was proposed to start a detailed discussion beginning with Part I. The fourth Part, which appeared only shortly before the meeting, was a secretariat draft purporting to summarize the conclusions suggested by the Working Group's study. In fact, it was entitled "problèmes soulevés par de nouveau progrès dans la voie de la libération", and consisted exclusively of a catalogue of obstacles to further dollar liberalization, ending with a very critical account of United States commercial policy.

2. The United States Representative, Henry Barlerin, took a very strong line and insisted that he would not regard the draft as a suitable basis for discussion. He was supported by the German and Belgian delegations, and to a moderate extent by the Dutch. The Canadian

¹¹ Voir/See Volume 20, Document 653, note 11.

Representative indicated that the draft as it stood would not be acceptable. As the discussion went on, it became clear that whatever their individual reserves regarding dollar liberalization, no delegation (except possibly the United Kingdom) would be prepared to accept *in toto* the jeremiad produced by the Secretariat. It was therefore agreed, in accordance with the views expressed by the United States Representative, first, that another factual chapter should be added detailing the measures taken by the United States and Canada to promote freer trade and second, that the existing draft of the concluding chapter should be revised to give a more balanced assessment including the advantages as well as the dangers of further dollar liberalization. This new draft is supposed to be ready by Monday, October 24 and will probably be discussed in that week.

3. Yesterday's discussion reinforces the impression mentioned in our letter [2995] of October 3, that at this juncture the United Kingdom would probably not accept a report which might lead to specific recommendations for early moves towards liberalization.

L.D. WILGRESS

502.

DEA/4901-F-40

*Le secrétaire d'État aux Affaires extérieures
au représentant permanent auprès du Conseil de l'Atlantique Nord et l'OECE*

*Secretary of State for External Affairs
to Permanent Representative to North Atlantic Council and OEEC*

TELEGRAM E-1097

Ottawa, October 25, 1955

CONFIDENTIAL. IMMEDIATE.

Reference: Your telegram No. 1204 of October 20.

DOLLAR IMPORT LIBERALIZATION

We have studied your letters No. 2995 of October 3 and 3087 of October 12[†] attaching Parts I and II of the draft Working Party report on dollar liberalization. We do not feel it necessary to give you detailed comments on Parts I and II. Part I is a factual report on liberalization measures now in effect, and corresponds to the information we have on this subject. Part II appears to be generally acceptable from our point of view since it clearly brings out that dollar liberalization so far has not directly led to increased imports and that the net result has been beneficial in reducing costs and increasing competitiveness.

2. We note that you will be involved in the negotiation of Part IV of the report this week and this is obviously the most important section from our point of view. It would be most unfortunate if the conclusions in Part IV could be used as a basis for justifying a "go slow" policy on the part of OEEC countries. We are therefore most concerned over the contents of the draft outlined in your telegram of October 20, and strongly support the line you are taking in the discussion. We realize that some countries may have uncertainties as to the possible effect of liberalization in other sectors, but these uncertainties should be heavily outweighed by the concrete evidence and positive conclusions brought out in Part II. We are disturbed over the tone of the discussion which you have reported, which gives the impression that dollar liberalization should be pursued only where the necessary readjustments are completely painless. In this connection, you may wish to emphasize that liberalization of dollar imports is one of the basic undertakings of OEEC countries. The fact that dollar imports are still at prewar levels in spite of higher production and income levels in

Europe raises the question whether dollar liberalization is not something that OEEC countries should begin to look upon with some degree of urgency. The Canadian economy also has sensitive areas, and there are pressures for protection which the government has successfully continued to resist on the basis that we are engaged in a common endeavour with other countries to remove trade barriers and to establish conditions for multilateral trade. It is important that this report should reflect a more positive and constructive approach towards the objective of dollar liberalization as being desirable and necessary in spite of possible difficulties for particular industries.

3. We have been somewhat disturbed by the suggestion that a new factual chapter should be added to Part IV outlining the measures taken by the United States and Canada to promote freer trade. This does not seem to be a relevant subject in an exercise specifically devoted to dollar liberalization. If the inclusion of such a chapter cannot be avoided, you should try to ensure that it does not give the impression that the OEEC links dollar liberalization to reciprocal measures by the United States.

503.

DEA/4901-F-40

*La délégation permanente auprès du Conseil de l'Atlantique Nord et l'OECE
au sous-secrétaire d'État aux Affaires extérieures*

*Permanent Delegation to North Atlantic Council and OEEC
to Under-Secretary of State for External Affairs*

LETTER NO. 3671

Paris, November 29, 1955

CONFIDENTIAL

Reference: Our letter No. 3633 of November 25.†

OEEC DOLLAR LIBERALIZATION REPORT

The draft report (see our letter under reference) has been the subject of close negotiation in the Working Group. We are sending you these comments so as to give you some idea of the balance of views in the Working Group to provide you with background for the preparation of your comments and instructions for the discussions which are to take place on the report in the Joint Trade and Payments Committee and the Council.

2. As a basis for the various country viewpoints we would refer you to our letter No. 2995 of October 3 which reported on the ad hoc meeting of experts. The final sections of the draft report have been strongly influenced by the disclosures at that meeting which, in general, indicated that countries which had relaxed dollar restrictions had suffered no demonstrable harmful effects (see para 30). In the Working Group, however, the Europeans, including the U.K. Representative, have made a concerted effort to play up the importance of a more liberal U.S. commercial policy in connection with further progress toward dollar liberalization in OEEC countries. The U.K., French, Italian and Norwegian Representatives have concentrated most of their attention on this theme while the German, Belgian and Dutch Representatives have also devoted their efforts to insuring a realistic report on the effects of and possibilities of future progress in Europe. The French Representative has been particularly negative. She reserved the French position on all chapters of the report, scarcely took part in any of the discussions and, when the work was over, submitted a statement of the French viewpoint which is to be annexed to the report (4 copies

attached). She was evidently under a general instruction not to implicate the French Government in any way in the views expressed in the report.

3. The U.S. Representative has taken a rather lenient line regarding the European efforts to link progress in the U.S. to progress in Europe although he has supported us when we objected to statements which implied that further progress in Europe depended on *prior* U.S. moves. He has adopted a technique of "reciprocity negotiation": i.e., if the Europeans wish to strengthen the sections on U.S. commercial policy he would only agree if the sections on European policy were strengthened. This has resulted in an element of balance in the report. Our own efforts in the Working Group were directed toward ensuring that the positive aspects of the experience of countries which have liberalized were given full prominence in the report and that there should be no hint of the need for reciprocity for European liberalization or of the necessity of prior U.S. moves to liberalize their commercial policy.

4. *Chapter I*: This chapter is entirely factual. The technique for drawing up percentages of liberalization is of course open to all the well known objections, but there seems to be no other practical way of comparing degrees of country liberalization. You have already expressed your approval of this chapter.

5. *Chapter II*: This chapter has not yet been circulated in its final draft. It is not likely to cause trouble except for a section on balance of payments and reserves. We shall bring this section to your attention when we send you the draft.

6. *Chapter III*: This chapter is the result of the first attempt by the Organization to study the restrictions on invisible transactions and services vis-à-vis the dollar area. The chapter was drawn up by a restricted group of experts on the liberalization of invisible transactions on which we were not represented. We should be grateful if you would send us, in addition to your comments on this study, a background paper† on the Canadian position regarding invisibles vis-à-vis OEEC countries. We are not clear on the extent to which Canadian interests are affected by present controls and it would be most helpful to have your views on the most important aspects to be stressed.

7. In our view TFD/PC/167(2nd Rev) contains a useful summary of the present position and ends on a rather enlightened note. After pointing out that increased liberalization of dollar invisibles would undoubtedly lead to a greater dollar expenditure in a number of cases, it stresses that, "there would be benefits which could be derived from the liberalization of invisible items related to export trade, productivity and foreign investments. It can be assumed that in the long run additional expenditure on these items would be more than offset by direct and indirect earnings in the form of expanded exports, more efficient production and replacement of dollar imports by domestic goods". The final paragraph states that, "Where dollar invisibles are restricted in order to protect domestic industries or similar interests, liberalization might result in a certain amount of dislocation and hardship but in many cases the economy, as a whole, would ultimately be stronger and healthier if resources were thus gradually directed into more productive fields".

8. *Chapter IV*: This chapter concerns the effects of measures taken by the Associated countries affecting their trade relations with Member countries. It corresponds to the factual chapters 1 and 2 on the European situation and is not intended to be controversial. You will note that your suggested text with some amplifications in the right direction have been incorporated into the chapter (paras 10-12). See your telegrams Nos. 1124† and 1125.† These Canadian paragraphs quite definitely place the responsibility for increasing exports to Canada squarely on the shoulders of the OEEC countries. There is no indication of any fault to be found with Canadian commercial policy and the chapter merely underlines the

fact that Canada has adopted liberal and helpful policies. We did not intervene in the section of the chapter relating to the United States as we considered this was their affair.

9. *Chapter V*: This chapter concerns the conditions and possibilities for new progress toward liberalization. In order to avoid the necessity of balancing individually every sentence and paragraph of the chapter, the Working Party agreed to divide it into two parts. In Part A, problems arising from the Extension of Liberalization, the European countries were provided with an opportunity of stating what, in their view, were the chief problems. In Part B, we and the U.S. Representative, supported by the more enlightened members, were given the opportunity of setting out the advantages and possibilities of further progress. Both of these sections underwent many revisions and modifications and neither is entirely satisfactory from everyone's point of view. Taken together, however, they represent a balance. This technique for dealing with the divergent points of view has probably resulted in a stronger statement of the advantages and possibilities for further liberalization than could otherwise have been achieved. It has also, admittedly, resulted in a stronger statement on the problems, but it would have been difficult if not impossible to prevent the European members from securing some mention of their doubts and fears. In our view it was well worthwhile giving them this in return for a forthright statement of "advantages and possibilities".

10. *Conclusions*: In view of the obvious difficulties of finding a middle course between two rather divergent points of view, it is not surprising that the conclusions have taken a rather modified form and lack the precision and clarity which we would have wished. On the other hand the conclusions are probably more positive than might have been expected due to the almost complete withdrawal of the French Representative.

11. Paragraphs 1-4 present factual conclusions and, since the facts are favourable, these paragraphs tend to allay fears of harmful effects of liberalization. Para 5 contains the main statement on future progress:

"Because of the advantages of liberalization and the serious drawbacks involved in prolonging the maintenance of restrictions vis-à-vis the dollar area, *Member countries have every interest in continuing their efforts towards the gradual abolition of these restrictions*. The world situation remains favourable, the reserves of Member countries, considered as a whole, continue to rise and extraordinary expenditure by the United States in Europe will still remain at a high level for some time to come. *It seems therefore that there is room for a further advance in liberalization especially in countries which have so far freed little or no commodities in one or all of the three categories, insofar as the situation of their balance of payments and reserves is, on the whole, satisfactory.*"

12. This paragraph is not more than a restatement of the decision taken last December C(54)317 in modified form. It would be difficult to strengthen it. Paragraph 6 relates progress in Europe to the OEEC/North American bilateral trade balance. The Europeans are very much attached to this concept. As it is presented in the second sentence, it is certainly a fact that some countries are concerned ... about the deterioration of their trade balance and this has undoubtedly affected the rate of liberalization. Their concern should, of course, be related to their general gold and dollar position and we would suggest a suitable amendment bringing this point out. If the general gold and dollar position is the criteria, the concern is of course less acute!

13. Para 7 is a relatively strong reference to the undefined "hard core" of non-competitive goods. We should appreciate your comments on this paragraph.

14. Para 8 is aimed at the U.S. and it may be that they will propose modifications. At the final meeting of the Working Party we proposed that "enable" in the second last line be

replaced by "facilitate". Both we and the U.S. Representative understood that this was agreed and we would intend to raise the point again in Committee.

15. Para 9 is a combination of a deleted paragraph and a final paragraph of a previous draft. In the deleted paragraph an attempt was made to link progress in Europe directly to progress in North America without indication of priority. The U.S. and German Representatives were prepared to accept this statement but we thought it was better deleted. The U.K. Representative supported the deletion since their position was that the next step should be taken by the U.S. Para 9 is thus a procedural conclusion proposing another exercise next year and another meeting of experts.

16. *The French Appendix:* We are attaching four copies of the proposed French appendix. You will see that this paper is rather mild and that most of the points have already been covered in modified form in the text of the report. Our feeling is that the French Representative could easily have entered into the negotiation of the report if all that had been at issue was the inclusion of the French reservations. The principle point we think is that the French administration wish to reserve their position on the report and conclusions as a whole and this was a convenient technique for doing so.

17. One advantage of the French technique is that it centres attention on their case (which is a relatively weak one) and invites comment from other Delegations at the Joint Committee and the Council. We should be grateful for your views on what might be said about the French position in these meetings.

18. With regard to the report as a whole we are of the opinion that it is probably as positive as can be expected. The Council decision that will ultimately be passed has not yet been drafted but there may be an opportunity at that stage to clarify and strengthen the recommendations to Member countries. At the moment we are not hopeful about this however in view of the French position. Also it must be borne in mind that any attempt to strengthen the recommendations to European countries will inevitably result in an attempt to strengthen the recommendations to the U.S. and to reintroduce the idea of reciprocity or priority of progress in North America. The net effect might be to turn attention away from the advantages and possibilities of liberalization in Europe.

19. In our view we should in general be content with what we have. We cannot be sure, however, what the reactions of other capitals will be; it is quite possible that they will have substantial revisions to suggest when the Joint Committee meets. The Joint Committee will not meet until after December 12 so that your instructions need not reach us before that date. (We previously asked for them by December 8).

20. It is hoped that the report can be passed through the Joint Committee before Christmas leaving passage through the Executive Committee and Council for January. As there is some chance that a Ministerial Council may be held in February, we would hope that whatever decision is taken will be brought to the attention of Ministers. If it is thought advisable to focus attention on the French at that stage, arrangements might be made for a separate discussion on dollar liberalization.

F.G. HOOTON

504.

DEA/4901-F-40

*Le secrétaire d'État aux Affaires extérieures
au représentant permanent auprès du Conseil de l'Atlantique Nord et l'OECE*

*Secretary of State for External Affairs
to Permanent Representative to North Atlantic Council and OEEC*

TELEGRAM E-1278

Ottawa, December 13, 1955

CONFIDENTIAL. IMPORTANT.

Reference: Your letter No. 3633 of November 25.

OEEC REPORT ON DOLLAR RESTRICTIONS

We have reviewed the revised chapters IV and V and the conclusions of the draft report. This draft is an improvement over the earlier version, and we note that the major changes that we had suggested have been incorporated. Without suggesting detailed drafting changes, we would wish to make the following comments on the key points of importance for your guidance, both in the discussion, and for any general statement you may wish to make.

2. Chapter IV is purely factual and we have no comments.

3. Chapter V still places too much emphasis on obstacles to further progress, and this almost obscures the fact that the balance of payments situation of each individual country should be the sole criterion. Some of the "obstacles" to which considerable detail is devoted in Chapter V appear to us to be more imaginary than real, and would not, in any case, provide justification for continued restrictions. Most of the countries concerned have commitments with respect to import restrictions in other agreements and nothing in the OEEC report should appear to derogate from those commitments. We are particularly concerned about the detailed references to U.S. commercial policy and the implication of reciprocity. We assume that the United States Delegation will wish to propose changes in drafting that would remove this kind of implication, and we should, of course, support this. We are also concerned about the references to intra-European trade and trade with primary producing countries as being a possible obstacle to liberalization. We note that paragraph 33 of chapter V states that "fears with respect to intra-European trade and trade with other non-dollar countries would appear unfounded so far". In our view, even if such fears were not unfounded, i.e., if the statistical picture were to show some adverse effect on intra-European trade, this would not provide a justification for continued discrimination. The system of bilateral and regional arrangements in trade should be considered as a temporary expedient at a time when currencies are inconvertible, and not as something that should be safe-guarded at the expense of dollar liberalization. This is an important point of principle, and the OEEC report should not leave the impression that regional and bilateral arrangements could, in themselves, constitute an obstacle to the removal of discrimination once balance of payments justifications cease to exist. In this connection, it should be clear that the commitments of most OEEC countries in other agreements are overriding.

4. With respect to the draft conclusions, we are glad to see the statement in paragraph 5. However, this seems to be the only indication in the report that there is some urgency about dollar liberalization; that conditions are favourable for further progress, and that such progress is in the member countries' own interests. The statement in paragraph 5 is considerably weakened by the emphasis and detailed review of the obstacles to be overcome.

5. We are particularly concerned about paragraph 7 of the conclusions. The final comment in this paragraph which affirms that there will be "no possibility of removing restrictions on certain products in the near future" should, we believe, be deleted. We question whether a statement of this kind is appropriate in this report in view of the specific obligations of most OEEC countries under the GATT. The only justification for continued restrictions is an individual country's balance of payments problem. The GATT has recognized that there may be transitional difficulties with respect to a "hard-core" of restrictions, and a special framework within which individual requests for waivers may be considered has been agreed to in the GATT to meet this transitional problem. The GATT hard-core waiver decision lays down detailed criteria and commitments with respect to restrictions (which must be non-discriminatory) maintained after the balance of payments justification has disappeared. Paragraph 7 of this draft report seems to provide a wide and unqualified basis for protective restrictions which are contrary to the objectives and obligations of most OEEC countries.

SUBDIVISION II/SUB-SECTION II

CONVERTIBILITÉ
CONVERTIBILITY

505.

DEA/4901-F-40

*La délégation permanente auprès du Conseil de l'Atlantique Nord et l'OECE
au sous-secrétaire d'État aux Affaires extérieures*

*Permanent Delegation to North Atlantic Council and OEEC
to Under-Secretary of State for External Affairs*

LETTER NO. 196

Ottawa, January 20, 1955

CONFIDENTIAL

Reference: Our telegram No. 1181 of December 27.

OEEC MINISTERIAL COUNCIL, JANUARY 12-14, 1955; CONVERTIBILITY

The Ministerial Examination Group on Convertibility met under the Chairmanship of Mr. Butler on January 12, for the purpose of discussing its report to the Council (GMC(54)13 rev. 2).¹² The morning was devoted to the discussion of Part I of the report, which dealt with trade questions, and the afternoon to Part II, on payments. It soon became clear that the Chairman had a carefully thought out plan for dealing with this subject and matters never showed any real tendency to get out of hand. He later proposed, and his suggestion was accepted by the Group itself and also by the Council, that whereas it would be possible to take a resolution on Part II (Payments) providing for immediate further action in the form of a mandate to the Managing Board of the EPU, Part I should be put on

¹² Voir/See Volume 20, Document 658.

ice, so to speak, for reconsideration by the Group or its Deputies after the GATT talks had finished.¹³

2. Sir Hugh Ellis-Rees, as Chairman of the Group of Deputies, introduced Part I of the report, stressing the difficulties which had been encountered in its preparation, largely because of the work on the same subject being carried on "in another place". He was immediately followed by the President of the Board of Trade, who indicated that the United Kingdom, though like others, not entirely satisfied with all details of the report, was prepared to accept it as describing "broadly the kind of trade pattern" to be aimed at. He made specific reference to the section on bilateral agreements, which he commended as providing for an early and extensive study of the problem, and to paragraph 7 on the progressive removal of trade barriers. This paragraph sets out a difference of opinion between Members regarding the further removal of quantitative restrictions as providing "a fruitful means of making further progress towards the achievement of their common objectives" and those who consider the early reduction of high tariffs as the most pressing problem. Mr. Thorneycroft indicated that the United Kingdom supported the first view.

3. In the debate which followed, no delegate opposed Part I as a whole, but a number again stated the positions of their governments on specific points. The United States gave a general approval on the same lines as the United Kingdom. The Canadian statement followed shortly after that made by Mr. Randall Burgess. You will note from the attached text that Mr. Wilgress firmly and unequivocally stated our position on the abolition of all trade discrimination, including that arising from the application of regional trading rules. Owing to the way the agenda was handled, there was no extended debate on these questions in the Council itself and this was therefore the only general statement that we made.

4. At the beginning of the afternoon session, the Chairman asked Sir Hugh Ellis-Rees to outline the procedure proposed for dealing with the trade section of the report. Sir Hugh then proceeded to state that the morning's discussion had shown that this part of the report was acceptable as a broad survey of the problems to be faced, but also that a detailed brief was not at present possible, particularly until the results of the GATT meetings were known. He therefore suggested that the Chairman should ask the Council to note the work done to date and, by means of an entry in the minutes, to request the Convertibility Group to meet again after the GATT negotiations were finished to see if any agreement could then be reached. As noted above, this proposed procedure was accepted, without debate, by the Convertibility Group and later by the Council itself.

5. A debate on the Payments section of the report revealed the following principal positions;

United Kingdom: reiterated its previously expressed unwillingness to give any undertaking now on fixed exchange rates; stated that any mandate to the Managing Board of the EPU should provide for a study of *all* methods of transferring EPU capital to the proposed European Fund; indicated that it did not regard the provision of continuing machinery for multilateral compensation along the present lines of EPU as being necessarily indispensable and endorsed the approach on this subject adopted in paragraph 22 of the report.

United States: welcomed the plan for a European Fund, repeated the view that the assets of EPU originally provided by the United States must be transferred to the Fund and stressed that the United States would expect to have the same rights vis-à-vis the new

¹³ Les membres du GATT étaient en train d'examiner le fonctionnement de l'organisation commerciale. Voir le chapitre premier, 2^e partie, section A.

The members of GATT were in the process of reviewing the operations of the trade organization. See Chapter 1, Part 2, Section A.

Fund, including a voice in the ultimate disposition of their assets, as it at present enjoyed with EPU.

Sweden: (speaking through Denmark which is the Scandinavian Representative on the Group): repeated its view that the European Fund should be postponed until the economic circumstances in which the Fund would be operating were better known, though it did not propose to stand in the way if others wished to go ahead, only reserving its position on eventual participation; and make the second point that the loan terms of the new Fund, if it were set up, should not be competitive with private credit.

Benelux and Switzerland: were concerned about paragraph 22 on multilateral compensation and wished to have something in the report to establish that the provision of continuing machinery for multilateral compensation was necessary and would be studied; the Swiss preference was for assuring multilateral compensation through private institutions on the basis of agreed multilateral arrangements among governments and central banks.

Denmark: reiterated its position that the arrangements under consideration for setting up the Fund would not supply sufficient incentives to creditor countries to take appropriate action to rectify imbalances; despite strong pressure from the United Kingdom and Germany, and from the Chairman himself, the Danish Delegate therefore refused to agree to the deletion of the sentence at the end of paragraph 7 which recorded that one Member considered that countries in "extreme and persistent over-all creditor positions" should be required to pay their contributions before calls were made on other Members.

Germany: made a proposal, which was accepted, that some sort of general preamble should be drafted which, for public consumption, would "maintain the momentum" of the move towards convertibility; the German Delegate also repeated his earlier statements to the effect that, though detailed work on the arrangements for setting up a Fund should go forward at once, there should be no binding commitments undertaken until the circumstances in which the Fund would have to operate were better known.

6. In the light of the diverse views expressed, it was obviously not possible either to limit or to give precision to the mandate transmitted to the Managing Board of the EPU. The attached draft resolution (CES/348) was therefore proposed and adopted. You will note that it agrees to continue the operation of the EPU after June 30, 1955 and instructs the Managing Board, (1) to report to the Council by April 16, 1955 on the conditions on which, and the period for which, the EPU might be extended, and (2) to study simultaneously the conditions for setting up a European Fund and submit detailed proposals to this end by the same date.

7. In answer to specific enquiries from the United States and Switzerland, it was made clear that the Managing Board of EPU was meant to take into account both the report of the Ministerial Group and the views expressed at the current meetings. As the Chairman said, somewhat wearily, "the resolution excluded nothing".

8. Immediately after the resolution was adopted, M. Faure asked to speak and announced that, since the EPU was to be continued, France intended, before June 30, 1955, to repay part of the non-consolidated portion of its debt in the Union. He stressed that no multilateral or bilateral bargaining was involved. The details would be given to the Managing Board the following day and the operation would be carried out immediately.

9. The final section of the report, Part III, Organizational Matters, was also left to be examined by the Ministerial Group or its Deputies, after the GATT talks had terminated.

10. On the whole, it appears undeniable that Mr. Butler, as Chairman of the Ministerial Group, skilfully separated the wheat from the chaff and made it possible to "maintain the

momentum" of the work on convertibility without becoming involved in a debate on trade policy which could only have been conclusive at the expense of being unfortunate.

PAUL TREMBLAY

[PIÈCE JOINTE/ENCLOSURE]

Déclaration

Statement

OEEC MINISTERIAL COUNCIL MEETING — JANUARY 12-14: MINISTERIAL
EXAMINATION GROUP ON CONVERTIBILITY
STATEMENT BY THE CANADIAN REPRESENTATIVE ON THE REPORT OF THE
MINISTERIAL EXAMINATION GROUP ON CONVERTIBILITY

Mr. Chairman,

Members of the Ministerial Group are already aware of the importance which the Canadian Government attaches to the ultimate reestablishment of a freely operating multilateral system of world-wide trade. We regard it as an important step in this direction that each country should move towards the general convertibility of its currency as quickly as its own individual circumstances permit. The report now before us for consideration examines the problems which might accompany this move to convertibility, both from the financial side and from the point of view of the trade rules which could or should be accepted and enforced.

It is no criticism of the work of the Ministerial Deputies to say that the report they have drafted shows marks of their efforts to reconcile views which at some points have been divergent; but in these circumstances it is I think particularly important that we should not, in our search for an agreed formula, lose sight of the original and overriding objective — clearly stated in the report itself — which is the freeing of trade, the removal of quantitative restrictions and the abolition of discrimination on an eventual world-wide basis.

It must be recognized that the adoption of convertibility by some of the major trading countries might create a situation in which there would be a strong temptation to resort to restrictive and discriminatory practices to cushion the impact on the economy of one country or another. It is the Canadian view that the only healthy approach to this problem is to proceed as far as possible with the removal of quantitative restrictions now — before convertibility — and thus to minimize the possible dislocation consequent upon C-day.

We therefore welcome the proposals which are to be considered at this meeting of the Council for a substantial increase in the already high degree of trade liberalization achieved by the Members of OEEC among themselves. But it would, in the view of the Canadian Government, be regrettable if intra-European trade liberalization were to be regarded as an end in itself and were in any way to derogate from the world-wide liberalization which is the pre-eminent objective of us all. The transition from the smaller to the larger area of liberalization is bound to have some effect upon the patterns of trade. It is our view, however, that such changes when brought about by the move towards world-wide multilateral trade would be, in fact, an indication of healthy flexibility and would also undoubtedly be in the long-term interest of the countries concerned.

Canada, as an associate Member of the OEEC, is glad to recognize the value and scope of the work that the Organization has done and is doing. Its activities have been conducted on a high — indeed an unprecedented — level of international co-operation. Its achieve-

ments in helping to rebuild the European economy and in freeing a large and important area of world trade from the restrictions consequent upon the crippling effects of the war, have done much to prepare the way towards the restoration of a freely functioning trading system throughout the world. In view of these great achievements and of the ultimate purpose which we consider they serve, the Canadian Government has, up to the present time, been prepared to accept the fact that purely intra-European liberalization does, in effect, imply discrimination towards the rest of the world. But after the adoption on convertibility and the elapse of what we would hope would be a strictly limited transitional period, there would, in our view, no longer be a valid reason for maintaining, *for its own sake*, a regional trading group which was in any sense exclusive or discriminatory. We would rather hope that the spirit of co-operation and frank discussion which has pervaded the activities of the OEEC might be transferred to the larger field and play its part in the common effort to frame and to make effective world-wide rules for the freeing of trade.

506.

DEA/4901-F-40

*Le représentant permanent auprès du Conseil de l'Atlantique Nord et l'OEEC
au secrétaire d'État aux Affaires extérieures*

*Permanent Representative to North Atlantic Council and OEEC
to Secretary of State for External Affairs*

TELEGRAM 524

Paris, April 28, 1955

CONFIDENTIAL

Reference: Our telegram No. 389 of April 2; † our letter No. 1336 of April 26. †
Repeat London No. 69; Washington No. 27.

EUROPEAN PAYMENTS UNION: EUROPEAN FUND

We have sent you by airbag (our letter No. 1336) copies of the Managing Board's report (C(55)91) on EPU, the European Fund and transitional arrangements. The report provides very substantial agreement on all the main points relating to the renewal of EPU and the creation of a European Fund. We dealt with these in our telegram No. 380. † The question of exchange rates in the period after the formation of the European Fund remains an issue of fundamental disagreement. The Managing Board has included two alternative solutions in its report: i.e. the complete liquidation of EPU according to the United Kingdom proposal and the maintenance of EPU without credit facilities after the transfer of its assets to the European Fund as a means of continuing the monthly compensation mechanism at fixed exchange rates. The continental countries remain convinced of the necessity of maintaining the monthly compensations at fixed rates while the United Kingdom refuses to give any ground on its conviction that a floating rate for sterling is an essential part of the move to convertibility.

2. While the positions have not altered on this point, we should like to comment at greater length on (group corrupt) convictions of the Europeans in the light of the comments contained in London telegram No. 487 † and Rasminsky's letter (April 6) to Ritchie. † Rasminsky comments that, "should sterling and other European currencies come under pressure the countries which compete with the United Kingdom for export markets are unlikely to wish to maintain fixed rates for long if sterling is depreciating". This of course would not be denied, but it is precisely because the continental governments envisage that they will have to devalue with sterling that they are so concerned. Devaluation on the continent,

being traditionally associated with inflation and a general breakdown of internal equilibrium with all that it entails in economic, social and political terms, it is of no use to argue that the governments — in particular the French Government — should take appropriate internal measures to correct inflation as they may be unable to do so. They are firmly of the view that fixed exchange rates are fundamental to European economic stability and they are fearful lest a devaluation of sterling might set off a series of competitive devaluation with serious trade consequences. An indication of the degree of conviction of the continental countries is the possibility, which has been discussed privately, that a compensation mechanism at fixed exchange rates might be established between the six ECSC countries and perhaps under a widened mandate of the Coal and Steel Community with provision for participation of other OEEC countries. This might theoretically be necessary if the United Kingdom vetoed an OEEC arrangement of this type, but it seems unthinkable that the United Kingdom could allow itself to be forced to a veto of this kind.

3. The Steering Board for Trade met this week to consider the trade aspects of the report but, of course, the question of exchange rates was constantly before them. On the renewal of EPU the Steering Board had grave doubts about the effect on trade liberalization of increasing the gold ratio to 75 percent. It is unlikely, however, that their doubts will undermine the substantial agreement to move to 75 percent.

4. The Steering Board was even more upset about trade prospects after a move to convertibility coupled with a floating rate for sterling. They envisaged a possible if not probable falling off of the sterling rate to 272. There was fairly general agreement that European exports would not be severely affected if sterling did not depreciate further (except for a few high cost export industries especially in Belgium) but there would be severe competition in third markets. It was felt, however, that, if the rate fell below 272, the French would probably have to devalue either *de jure* or *de facto* and this would be followed by similar moves in other European countries. The continental representatives considered this a most foreboding and gloomy prospect with far reaching consequences including a return to bilateralism, inflation and at worst a general disintegration of European trade relationships.

5. In this discussion there was little evidence of support for, or belief in the ability of GATT to prevent a return to bilateralism. Even the OEEC code has not been able to entirely eliminate bilateral agreements between member countries. There was unanimous agreement that the OEEC code of liberalization should be maintained and it is significant that the United Kingdom are now no longer talking of a transition period at the end of which the OEEC code would be subsumed by the GATT rules. The United Kingdom are, of course, not happy about the results of the GATT review. Although they have not said so openly it may be that the United Kingdom are now prepared to accept the OEEC code on a longer term basis after convertibility as a protection against continental discrimination if the continental countries maintain fixed rates. If this is so, a serious problem of jurisdiction between GATT, OEEC and in some cases, the IMF will arise.

6. The continental countries apparently wish to have European problems discussed in the first instance in OEEC and then, after securing agreement of OEEC members, and if possible associate members as well, proceed to a full discussion in GATT and/or IMF.

7. Apart from the jurisdictional problem there is the difficult question of adapting the OEEC percentage liberalization system to include countries with floating rates. How, for example, could the percentage of liberalization of fixed rate continental countries be bargained against a high level of United Kingdom liberalization at a depreciated sterling rate. Clearly the old procedures would have to be revised, but it is difficult to envisage how.

8. We have great difficulty in envisaging how these negotiations will end. Clearly the continental countries, or at least their trade experts, have grave misgivings about convertibility. They would prefer a continuation of EPU with a gradual slackening of dollar discrimination to any outright break in the near future. On the other hand the financial experts in the Managing Board are apparently proceeding on the assumption that convertibility of sterling will follow shortly after the election — although the view is expressed that Mr. Butler may await the third quarter returns (which are the least favourable for the United Kingdom) before making the move.

9. As we see it, the problem facing the continental countries in forthcoming negotiations is how best to present their bargaining position so as to influence the United Kingdom to give specific assurance of sterling stability. One such bargaining position is the threat to set up a separate compensation mechanism without the United Kingdom, another is the assurance that the continental central banks will refuse to hold sterling after convertibility if the rate is allowed to fluctuate. (The Bank of England has recently approached central bankers in Europe requesting some assurance that they will hold sterling and they have been turned down flatly). Another bargaining position is the threat to discriminate against the United Kingdom. We do not agree with Rasminsky that this is farfetched. It is not inconceivable that a European fixed rate gold block in difficulties might attempt to solve them by means of QR's against the dollar area and sterling area. This would not imply that they would cut themselves off from sources of cheap foodstuffs or raw materials. These could be allowed in freely as they are today from dollar sources. It would be dangerous to count on the provisions of GATT to prevent such discrimination if the European countries as a group are convinced of its necessity.

10. The United Kingdom will have to balance the possible effects of these potential continental moves against the desirability of maintaining complete freedom of action on rate policy. Of course, if the rate could be kept stable in practice but without commitment for a long enough period after convertibility it is likely that continental confidence would return and the continental countries might gradually make the psychological adjustments necessary to take them out of regional thinking to that required in a convertible system.

11. The Managing Board report along with comments of the Steering Board which are to appear shortly, will be discussed in the Joint Trade and Payments Committee next week. It is most unlikely, however, that that Committee will attempt detailed negotiation or comments and we expect that the report will receive perfunctory passage. The next stage of serious discussion will be at the deputies of the ministerial group on convertibility, May 9-11. The agenda has not yet been drawn up for this meeting, but the papers to be discussed will include the Managing Board's report, the Steering Board's comments and the Council paper on the administration of the European Fund C(55)89. We expect the deputies meeting will be an important one. It may be that arrangements will have to be made to continue discussion of the main issues by heads of delegations up to the ministerial Council (scheduled tentatively for June 9-10). If agreement is not reached at the ministerial Council, there will be little time left for negotiation before the end of the EPU year, June 30. There is, of course, the possibility that the EPU will be prolonged for one month to give time to complete the negotiations for renewal and the European Fund which are, of course, regarded as a package.

12. We should be most grateful for your comments on the situation which has developed and on the papers which will be considered by the deputies. We shall, of course, require instructions on how you wish us to intervene at the deputies. Before it is necessary for you to draw up these instructions, we would hope to send you further comments on some of the main country positions. You will appreciate that we are not members of the Managing or

Steering Boards where the debate has taken place and some of the accounts we have had differ in emphasis. We are seeing Shearer of the FOA tomorrow and Owen — United Kingdom, next week.

L.D. WILGRESS

507.

DEA/4901-Q-40

*Le représentant permanent auprès du Conseil de l'Atlantique Nord et l'OECE
au secrétaire d'État aux Affaires extérieures*

*Permanent Representative to North Atlantic Council and OEEC
to Secretary of State for External Affairs*

TELEGRAM 633

Paris, May 13, 1955

CONFIDENTIAL

Reference: Your telegram No. 515 of May 9.†
Repeat London No. 84; Washington No. 34.

DEPUTIES OF MINISTERIAL EXAMINATION GROUP ON CONVERTIBILITY
MAY 10-11

We are reporting by despatch† on the details of the deputies discussions. Our general conclusions on the results of the meeting are as follows:

(1) A useful exchange of views was held. While official country positions showed little evidence of change on most of the items, there were signs of a shift of emphasis. The United Kingdom was not in a position to give a lead to the discussion in view of the elections.

(2) There is behind the scenes evidence of a slackening of the continental insistence on the maintenance of a compensation mechanism. The Benelux countries and Germany are apparently satisfied with the United Kingdom proposal for a new high level forum for consultation. The Swiss, which were the strongest advocates, have now backed down to the extent of regarding the compensation mechanism as a transitional arrangement which might be adopted for one year and then renewed only by unanimous consent. The United Kingdom hope they can eventually break down the Swiss resistance.

(3) The main change of emphasis came from the French who had previously not expressed intransigent views. Calvet (closely advised by Kojeve) adopted a firm regional position in support of a compensation mechanism, a *permanent* OEEC code and the strictly regional operation of the proposed European fund.

(4) The deputies reaffirmed their unanimous view that the OEEC code should be maintained after convertibility. The United Kingdom were not prepared to agree to its continuance for more than a transitional period (i.e. 12 months). Rowan was at pains to point out that the OEEC code could be maintained after a transitional period only if the trade advantages were extended to other members of the GATT. He proposed that a discussion of this question should be postponed until some experience had been gained of the working of convertibility and the GATT. The Benelux and German official position was that the code should be extended for an indeterminate period. Privately we understand that these countries are beginning to face the realities of convertibility and are now thinking of the OEEC code as a transitional arrangement. The French insisted on the necessity of deciding now that the code should be a permanent feature of OEEC and left no doubt about their wish to

deal with GATT and IMF conflicts by insisting on regional waivers. The United Kingdom are quite concerned at this new resurgence of French regionalism but are hopeful that they may be able to isolate the French in view of the relaxed German, Benelux and Swiss attitudes.

(5) There was little discussion on the United Kingdom proposal for a new high level forum although there was general approval of the idea. As Rasminsky reported, the United Kingdom regard their proposal as a sop to the regionalism of the continent. They do not regard it as a substitute for a broader bridge body but they have purposely made their proposal in vague terms with the intention that the continental countries should participate to the fullest extent in giving it precision. It is not the United Kingdom intention that the proposed body should replace the Steering Board or the board of management of the new European Fund. However, its position in the organizations committee structure has yet to be worked out.

2. We agreed fully with your instructions not to intervene at the meeting and did not do so.

L.D. WILGRESS

508.

DEA/4901-F-40

*Le représentant permanent auprès du Conseil de l'Atlantique Nord et l'OECE
au secrétaire d'État aux Affaires extérieures*

*Permanent Representative to North Atlantic Council and OEEC
to Secretary of State for External Affairs*

TELEGRAM 712

Paris, June 3, 1955

CONFIDENTIAL. IMMEDIATE.

Reference: Our letter No. 1662 of May 27.†

Repeat London No. 98; Washington No. 39.

OEEC MINISTERIAL COUNCIL

Although the draft agenda will not be out until Monday, it is certain that the Ministerial Council will devote most of the forthcoming meeting to the trade and payments problems connected with a return to convertibility. The issues unresolved after Council discussion of the Managing and Steering Board's reports on the renewal of E.P.U. and the establishment of a European fund, were listed in document C(55)124 sent to you with our letter under reference. A revised version has been sent by telegram today.† Two heads of delegation meetings this week have not led to any substantial modification of positions, though it seems probable that there are private conversations taking place which may facilitate ministerial discussion. In particular, we understand that Calvet, of the French delegation, is in London, and that an attempt is being made to whittle down the difference between the United Kingdom and France (which has recently, as we reported, taken a strongly regional position).

2. The sum of the decisions to be taken on the points listed from A-J in C(55)124 will determine the extent to which further progress may be made in the multilateral approach to the move to convertibility over the regional and hesitant approach now evident in varying degrees of emphasis on the continent. We assume you will wish us to re-emphasize the advantages to all countries in hastening the achievement of a non-discriminatory world-

wide trading system. Although the subject of dollar discrimination is not on the agenda and although we would not wish to make a lengthy statement on this subject, you may wish to consider whether you would like us to raise it in connection with the main items under discussion.

3. We have in mind the desirability of pointing out that many of the difficulties which the OEEC countries are encountering in connection with the setting-up of the European Fund and the trade rules after convertibility would be eased in direct relation to the extent to which progress is made now and in the immediate future in eliminating discrimination, including dollar discrimination. We might note the progress made by some countries in eliminating discrimination and also the lack of any progress in other countries. In this connection we have noted the position taken by the Canadian member at the I.M.F. consultations on Germany and France. We should be grateful for instructions on the extent to which you wish us to press a similar line at the OEEC Council.

4. Though in their total effect all the issues raised in Document C(55)124 are of importance to Canada, some of them refer to specific procedures or techniques with which we have little direct concern. Unless we hear otherwise from you, we would assume that you would not wish us to take any explicit stand on the following matters (lettered in accordance with C(55)124, 1st revision).

- (a) gold-credit ratio in the EPU
- (b) termination clause for the EPU
- (d) rates of exchange among member countries after the adoption of convertibility.

Although the continental countries, led by the Swiss, continue to attach the greatest importance to stable exchange rates, they now appear to have concluded that the United Kingdom will not give any commitment to maintain the sterling rate between fixed points. The Swiss, at a heads of delegations meeting on Wednesday, proposed that all OEEC members should make a declaration of intention to maintain stable rates. It may be possible for the United Kingdom to associate itself with a proposal along these lines which will be discussed at the Ministerial Council.

- (e) European Fund.
- (i) Criteria for grants of credit.

We are, of course concerned that the criteria and policies adopted are not discriminatory or regional in their intent. However, we have no stake in the fund and feel that the running on this must be left to the United States and others of like mind.

- (ii) Amount of members' contributions.
- (iii) Basis of members' contributions.
- (iv) Distribution of EPU assets upon liquidation.

5. The remaining items are of more direct concern to us and might be the points upon which to base our intervention or interventions in favour of the multilateral approach. We summarize below our understanding of the Canadian position on each of these points in order that you may inform us of any comments or modifications:

- (c) *Multilateral compensation*

The outcome on this point is still very much in doubt. At the recent meeting of heads of delegations an almost solid continental position developed for examining at expert level the technical feasibility of a compensation scheme based on the Swiss paper. A meeting for this purpose begins today. This tactic has been used as a counter to the United Kingdom attitude that the point was not debatable. If the technical findings are favourable, the United Kingdom may find it difficult to avoid some sort of scheme being arranged which

will at least partially meet the objection of the continentals without prejudicing or hampering proposed moves to convertibility. The outcome of the experts' study will not be known until shortly before the ministerial meeting. Until then it will be difficult to know what the position will be at the time of the meetings. If you agree, we would be inclined if the continentals are still pressing for a scheme which would be prejudicial to convertibility, to give the United Kingdom support by, in particular, supporting the proposed forum for consultation in OEEC as an appropriate alternative to a compensation mechanism (see Item K).

(f) Co-ordination and co-operation between OEEC and the IMF after convertibility.

This concerns a Swiss preoccupation that there should be close liaison between the IMF and the European Fund, particularly with respect to the examination of countries seeking credit. This has been agreed in principle by heads of delegations on the basis of paragraph 10C(55)89. Since the subject is now one of working out the details of the liaison, there is general agreement, subject to a Swiss reserve, that it need not be considered by ministers.

If the Swiss force a ministerial discussion, we assume you would agree that close liaison should be maintained between the IMF and the EF.

(g) Continuation of the code of liberalization after convertibility.

At the heads of delegations meeting yesterday, the United Kingdom made an effort to have this item taken off the list of questions by attempting to meet the continental position. The United Kingdom representative said he could agree that "the code (suitably amended) should continue to govern commercial relations between member countries for an *unspecified* (new English translation for "indéterminé") period after convertibility *subject to the review of its working in conditions of convertibility.*" The continental countries welcomed this United Kingdom attempt to meet their views, but they were not inclined to remove the item from the list of questions to be put to ministers. Though it seems the United Kingdom now wish to postpone the debate on the continuation of the code until some experience has been gained in the working of convertibility, the French and perhaps the Swiss and other weaker countries may wish to get some more explicit declaration of regional solidarity at the ministerial meeting. We should be grateful for your instructions on the position we might take on this question if an intervention seems desirable. The line we have in mind is the following:

Would you agree with the language now acceptable to the United Kingdom, qualified by a statement first that the code must be applied in a non-discriminatory manner except where countries receive individual waivers from their obligations in GATT, and second that the move towards full non-discrimination should not be prejudiced or hampered thereby?

(h) *Basis for waivers under Article 3(c) of the code*

The point to be put to ministers is whether, if the code is continued, a member may invoke Article 3(c) when it is in deficit in its relations with the whole world, even if, in its relations with other member countries, its trade balance is in equilibrium or even in surplus.

At heads of delegation Ellis-Rees turned this question around, and asked the French delegate whether they felt that a member which is in surplus with the rest of the world but in deficit with the OEEC area should be entitled to a loan from the European Fund. There was no answer. The United Kingdom and United States representatives pointed out that it was quite impossible (except perhaps for the Swiss whose exchange authorities keep a close watch on every transaction) to separate regional from total positions. The French still

maintain that this will be possible. The question which is going forward to ministers is thus in a most vague and unclarified state.

We would propose that, if it seems desirable, we should support the United Kingdom and United States position strongly indicating our view that after the re-establishment of convertibility the total position is the only practical criterion for a waiver. We might then support a United States view that this subject should really be considered in relation to (i) below. The criteria for waivers under Article 3(c) must not in any way prejudice the cases for waivers under GATT and IMF rules.

(i) There is fairly general support for the Benelux proposal for dealing with this question, which is in line with United Kingdom views. (See our letter No. 1604 of May 18,† paragraph 36), i.e. by dealing with future conflicts as they arise. The French, however, are not satisfied with the Benelux proposal and apparently want an OEEC declaration of intention which in effect would imply a resolve to maintain intra-European trade in spite of all commitments in other organizations. We do not think that the French will have much success in forcing their views on other OEEC members and we would hope not to have to enter into any detailed wrangling over this issue.

We would propose to play down the possibility of conflicts between GATT and OEEC rules in conditions of convertibility while making it clear that trade rules are subject to the provisions of GATT or to GATT waivers. We might add our view that in the event of special problems arising which cannot be foreseen at the moment, there is no reason to doubt that the case can be settled equitably through procedures provided in the general agreement.

(j) OEEC policy on tariff questions.

Discussion will be based on a memorandum submitted by the low-tariff countries which was distributed only today. We shall therefore deal with the question in a later telegram.‡

(k) Arrangements within OEEC for dealing with questions which may arise out of the working of the new trade and payments system.

This is a reference to the United Kingdom proposal for a high-level consultative body. We would base our attitude towards this proposal on the comments and suggestions in your telegram No. 516 of May 9,† stressing that the purpose of the new body should be to exchange views and not to formulate rules or exceptions therefrom on trade and exchange matters. We have recently been approached several times by the United Kingdom delegation regarding support for their proposal. Would you agree that as the United Kingdom proposal has been supported by the other members, we might support it in principle, subject to the proviso that its functions are kept within the limits described in your telegram.

6. Owing to the unusually large number of unagreed points on the agenda, the discussions are likely to be both detailed and difficult. The issues are, however, far-reaching, and the outcome of considerable importance to Canada. We should be glad to know, therefore, whether you would consider it advisable for us to enter actively into the discussions along the lines sketched above and to use this forum for a strong statement of our general position on multilateralism, non-discrimination, and convertibility. The adoption of such an attitude on our part would certainly be welcomed by the United Kingdom delegation, and probably by that of the United States, though we have had no recent opportunity for discussions with the head of the United States OEEC delegation, who has been in Washington. Your instructions should reach us, if humanly possible, by Tuesday, June 7th.

L.D. WILGRESS

509.

DEA/4901-F-40

*Le secrétaire d'État aux Affaires extérieures
au représentant permanent auprès du Conseil de l'Atlantique Nord et l'OECE*

*Secretary of State for External Affairs
to Permanent Representative to North Atlantic Council and OEEC*

TELEGRAM 629

Ottawa, June 7, 1955

CONFIDENTIAL. IMMEDIATE.

Reference: Your telegram No. 712 of June 3.
Repeat Washington EX-1045; London No. 916.

OEEC MINISTERIAL COUNCIL

The following are our general comments on the main points arising at this meeting and on the observations which you have made concerning them.

2. Paragraph 2. We think it would be appropriate to restate the advantages in the early achievement of a non-discriminatory trading system. You might emphasize that the OEEC has always recognized this as a desirable objective. You could then point out that conditions have been, and continue to be, very favourable to the achievement of such a system. Gold and dollar reserves of countries outside North America have been rising almost continuously since 1948 (when the OEEC operation began) and are now 60% higher than they were at that time. Even during the recent recession additions were made to these reserves, thus reflecting in some degree the extent of the basic recovery which has been achieved and also the economic resilience of the European countries. The change-over to a non-discriminatory system would not involve a leap in the dark or any drastic transformation at this stage for many countries since very substantial progress has been made and a good deal of experience on which to base a further move has been acquired. Finally, although action by other countries should not be too dependent on the state of the U.S. economy, the transition might be eased at the present time by the fact that the U.S. economic outlook is generally considered to be strong. All in all, it is hard to imagine circumstances more favourable than the present. It is assumed, of course, that countries making such a move would be determined to achieve or maintain domestic stability. If any countries are restrained in the present situation by doubts that inflation can be avoided, it should be recognized that no alternative system can really protect them against the consequences of inadequate domestic policies for any length of time.

3. If, against this "favourable" interpretation of the factors in the present situation, it is argued that a good deal of the recent progress has been due to special U.S. expenditures abroad which cannot be counted on for the future, you might remark that there is no evidence yet that such expenditures (particularly those of a military character) will be curtailed. You might add that the circumstances in which such expenditures might be expected to fall off would almost certainly be such that the European countries themselves would be able at the same time to release substantial amounts of their own resources for other uses. Such special expenditures (as has also been the case with a considerable part of foreign aid) involve some calls on the resources of the European countries and a reduction need not entail anything like a corresponding decline in the total resources at the disposal of those countries. There is no reason, therefore, to assume that the positions of the European countries concerned would necessarily be substantially worsened on balance as a result of such a development.

4. Paragraph 3. It will be evident from the preceding paragraphs that we would consider it desirable to make in general terms the same kinds of points as have been made in the IMF consultations with respect to individual countries.

5. Paragraph 4. We agree that it would not be appropriate for you to comment in detail on the various specific EPU issues. On the other hand, we think that you might welcome the tendency to "harden" the EPU as representing some further progress towards the convertibility of intra-European transactions. We would be diffident about commenting on the exchange rate question but if you think it would be helpful you might refer to our experience with a fluctuating rate. You would not want to imply, however, that what has been true in our case would be entirely applicable to other countries in different circumstances. It is, however, a fact that in our experience short-term capital movements which were an unstabilizing factor under a fixed rate have exerted a stabilizing influence with a fluctuating rate. We have, of course, maintained pretty firm internal policies during this period and the position of our currency has been strong.

6. Paragraph 5(c). We are troubled by several aspects of the proposals for multilateral compensation and by their regionalist implications. We think, however, that it might be left to the U.K. to handle this one, especially in view of the particular consequences which such proposals might have for the position of sterling. We are not greatly attracted by the possibility of diverting some of the European countries from such a scheme by the establishment of a high level OEEC "forum". There would seem to be some danger that, if the "forum" were to be represented as a substitute of some sort for the compensation mechanism, there might be a tendency to use it to bolster a regional and discriminatory approach. We would, therefore, not wish to support actively the setting up of such a body although we might acquiesce in its establishment if it were to be agreed that this body would function in the limited manner suggested in our earlier message. You should not imply that Canada would necessarily accept membership in this body if it were to be established.

7. Paragraph 5(f). We would naturally favour intimate collaboration between OEEC and the IMF after convertibility if it was clear that the criteria and objectives of the two bodies were the same; in other words, if the OEEC accepted that the main criterion was the overall balance-of-payment position and the principle objective was the elimination of discriminatory restrictions and exchange and trade practices.

8. Paragraphs 5(g) and (h). Although we are not certain of some of the details of the U.K. proposal, we are not much attracted by it in the rather vague form reported in your message. Our position is that we are willing to accept the continuation of the OEEC code for a time but not as a substitute for the GATT rules when they can be brought into force. We consider that the GATT rules should be made effective as early as possible and that they should then govern all transactions including those within Europe. We would not wish to give any encouragement to the idea that OEEC countries might remain indefinitely under a European code despite their other international obligations. In this connection, we were rather shocked at the attitude expressed by the French delegation in particular as described in your paragraphs (g) and (h).

510.

DEA/4901-F-40

*Le représentant permanent auprès du Conseil de l'Atlantique Nord et l'OECE
au secrétaire d'État aux Affaires extérieures*

*Permanent Representative to North Atlantic Council and OEEC
to Secretary of State for External Affairs*

TELEGRAM 745

Paris, June 13, 1955

CONFIDENTIAL

Reference: Your telegram No. 629 of June 6 [sic].
Repeat London No. 101; Washington No. 41.

OEEC MINISTERIAL COUNCIL — JUNE 9-10: TRADE AND PAYMENTS
QUESTIONS

Substantial agreement was reached by Ministers on all points outstanding in connection with the renewal of EPU, the European Fund, and trade rules after convertibility. The only point on which agreement was not reached concerned the arrangements for multilateral settlement after the reinstatement of convertibility by some countries. The Managing Board has been given a mandate to submit by 15 July compromise proposals for "a multilateral system which will facilitate settlements between member countries" or, in other words, a compromise between the present system of multilateral compensation and free market system. The final acceptance of decisions on the renewal of EPU, the European Fund and trade rules is dependent on a satisfactory solution for settlements being agreed. In the meantime the EPU has been renewed for one month until July 31.

2. Decisions on other items were made possible by United Kingdom agreement, at a Managing Board meeting prior to the Council, to study sympathetically proposals for a clearing mechanism which would involve a short-term floor to the sterling rate. The mandate to the Managing Board is purposely vague, but it provided that the system to be proposed shall in the first instance, be for a limited period and shall permit fluctuating exchange rates. The United Kingdom are apparently prepared to go a considerable way to meet the continental wish for a compensation mechanism, but they are likely to make every effort in the Managing Board to secure continental agreement for a system which will place greater reliance on central banks and avoid, if possible, a system of formal compensation.

3. Subject to a satisfactory agreement on a settlement system being reached before the end of July, the following are the most important decisions taken at the Ministerial Council which will become operative. If no agreement can be reached, the Union will have to be renewed on a monthly basis and Ministers will probably have to meet again during the summer.

(a) For the accounting periods after August 1, 1955, settlements will be on a 75 percent gold basis.

(b) The Union will be terminated or transformed if members representing 50 percent of quotas notify the organization.

(c) A European Fund, for which a legal text is to be prepared by July 15 will be established on the date on which the Union is liquidated or transformed in accordance with (b) above.

(d) European Fund credits are to be granted on request after taking into consideration "the existence, for the country concerned, of overall balance of payments difficulties which would endanger the maintenance of its level of intra European liberalization".

(e) The OEEC liberalization code will be extended for an "unspecified" period after convertibility and "in the light of experience of conditions prevailing upon the adoption of convertibility, the organization shall proceed to a further review of the provisions of the code".

(f) The benefits and obligations of the code shall apply to all members of OEEC.

(g) The organization, in determining whether a member country may invoke the escape clauses of the code, shall pay regard principally to the incidence of specifically European factors on its balance of payments position, or for a member country if the balance of payments is fundamentally influenced by its relations with non-member countries, whether a recourse to Articles 3(c) and 20(c) constitutes an indispensable means of re-establishing its balance of payments. In formulating its recommendations to the member country concerned, the organization shall take into consideration the desirability of maintaining intra-European liberalization, the advantages of reciprocity and the fact that for a country whose balance of payments is fundamentally influenced by its relations with non-member countries, a recourse to Articles 3(c) and 20(c) may constitute an indispensable means of re-establishing its balance of payments.

(h) The code shall provide for the case of a member country which, in pursuance of its international obligations and in spite of the consultations within the organization and other international organizations concerned which are provided for such cases is compelled to extend to non-member countries the liberalization measures adopted by it in accordance with Articles 2(a) and (b) in circumstances where such an extension would cause it serious balance of payments difficulties endangering the stability and the development of its European liberalization measures."

3. After agreement was reached on the method of handling the differences over the compensation mechanism, the main debate was focussed on the criteria for granting credits under the European Fund and the criteria for using the escape clause of the code — with the French adopting a strongly regional attitude. The solutions indicated in paras. 3(d) and (g) appear to be a workable compromise since they cover both the continental and United Kingdom positions. Obviously, much will depend upon how the arrangements are worked out in practice.

4. A related and fundamental French fear concerned the GATT/OEEC relationship. You will recall that the French, at the Deputies meeting in May, pressed for an OEEC declaration that intra-European trade liberalization would be maintained in spite of commitments in other organizations. This got no response from other delegations, many of which found the suggestion as "shocking" as we did. At a Ministerial Council Drafting Group the French delegation reversed this position by proposing that countries which got into difficulties because they were obliged to extend liberalization on a non-discriminatory basis should be relieved of their percentage liberalization obligations under the OEEC code though continuing to regard them as desirable objectives. This was an even more shocking suggestion to the Europeans. This move was foreshadowed in para. 8 of the London telegram of June 8† (to Ottawa No. 816, to Canac No. 79). A compromise was reached (para. 3(h) above) which does not provide a solution but provides a basis for more reasonable discussion in the period up to July 15 when firm proposals for amending the code must be agreed.

5. Without much detailed comment Ministers agreed to the establishment of a new body of high-level officials from capitals to meet periodically (United Kingdom proposal) although the Netherlands Minister thought it a "bad idea" for procedural reasons. Detailed proposals are to be submitted by July 15.

6. Council also passed a recommendation on tariffs, the principal operative paragraph of which read as follows:

Text Begins:

"Recommends that member and associated countries which are contracting parties to the General Agreement on Tariffs and Trade (GATT), should co-operate actively during the coming discussions within the GATT, with a view to the speedy adoption of an automatic plan or any other method which would bring about a reduction of the general level of tariffs." *Text ends.*

7. I made a statement in accordance with your instructions, copies† of which will be sent by air bag along with our more detailed comments† on the meeting.

L.D. WILGESS

511.

DEA/4901-F-40

*Le secrétaire d'État aux Affaires extérieures
au représentant permanent auprès du Conseil de l'Atlantique Nord et l'OECE*

*Secretary of State for External Affairs
to Permanent Representative to North Atlantic Council and OEEC*

TELEGRAM 813

Ottawa, July 18, 1955

CONFIDENTIAL

Repeat London No. 1168.

OEEC MINISTERIAL COUNCIL MEETINGS

Your telegrams on the June meetings of the OEEC Ministerial Council have been read with much interest. Formal decisions have already been taken on most points at issue and agreement reached on the remainder. The following comments are therefore designed merely to let you know our reactions to these decisions. It is not likely that you will find it desirable to make another general statement at the forthcoming ministerial meetings since you outlined our position so well at the June meetings. But these comments of ours may be useful to you in any event.

2. With reference to paragraph 2 of your telegram 745, in which you mentioned a short-term floor to the sterling rate, we have noted the fuller indications of United Kingdom views contained in your letters Nos. 1993 of June 27† and 2101 of July 6.†

3. We were disappointed to learn that the regional balance of payments factor has been adopted as a specific — and, we fear, the main — criterion in determining derogation from the Code of Liberalization under Articles 3(c), 20(c) and 25(c). The battle seems to have been lost when the compromise reported in paragraph 2 of your telegram 819† was accepted by the U.K. Once the reference in Article 25(c) to the overall balance-of-payments position of a member country was replaced by a reference to its regional balance-of-payments position, the inclusion of a similar reference in respect of Articles 3(c) and 20(c) was incidental.

4. We were also disappointed to see the manner in which European regionalism has been asserted in connection with the procedure to be applied when a country is torn between its obligation of non-discrimination in GATT and its liberalization obligations in OEEC. Paragraph 1 of the amendment to the Code reported in your telegram 843† appears to go even further than the action contemplated in paragraph 21(b) of C(55)144. The latter called for the development of procedures for dealing with this sort of problem *after* consultations in OEEC and the GATT and Fund had revealed a real conflict. The amendment to the Code calls for procedures to be used when a country *expects* that it *might* be compelled to extend its liberalization measures on a non-discriminatory basis and if it fears that such an extension would cause balance-of-payments difficulties. This amendment is obviously designed to ensure that any differences between OEEC countries concerning the plight of any one of their members will be hammered out in the OEEC before being discussed in GATT and the Fund. Probably the least that European countries hope to achieve is that any active critics among their fellow members of OEEC will be muzzled when discussion is carried into the wider forum of GATT and the Fund.

5. As you can see, we are more disturbed than you about the outcome of these ministerial meetings. Admittedly, things could be worse, but we dislike the decided emphasis on regionalism in these decisions and the implication that so much is to be discussed and decided in the OEEC rather than in GATT and the Fund.

SECTION C

AUTRICHE : TRAITÉ D'ÉTAT
AUSTRIA: STATE TREATY

512.

DEA/50129-40

*Note du secrétaire d'État par intérim aux Affaires extérieures
pour le premier ministre*

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

SECRET

[Ottawa], May 13, 1955

AUSTRIAN TREATY NEGOTIATIONS

I attach for your information a memorandum reporting on the progress to date in the negotiations on the Austrian State Treaty which have been taking place in Vienna.

The memorandum examines the question from the point of view of Canadian interests.

[PAUL MARTIN]

[PIÈCE JOINTE/ENCLOSURE]

Note de la Direction européenne
Memorandum by European Division

SECRET

[Ottawa], May 13, 1955

AUSTRIAN TREATY NEGOTIATIONS: A PROGRESS REPORT

It now appears certain that the Foreign Ministers of the U.S.S.R., U.S., U.K., France and Austria will sign the Austrian State Treaty in Vienna next Sunday, May 15. A communiqué issued in Vienna last night — May 12 — announced that the Conference had successfully completed its work on the text of the State Treaty and that full unanimity had been reached on all articles of the draft treaty.¹⁴ We have not yet been informed of the details of the terms agreed to in Vienna. However, all information available to us at present has been reviewed with the particular object of ensuring that the Canadian Government's interests in the Treaty are satisfactorily met.

2. As the Allied and Associated Powers were never at war with Austria, the proposed Austrian State Treaty has been conceived as a Treaty with "its official title" for the "Re-establishment of an Independent and Democratic Austria". It is not in the strict sense a peace treaty. Canada never recognized German sovereignty *de jure* over Austria, although *de facto* recognition was accorded. Never having been at war with Austria, Canada recognized Austria as an autonomous state after its liberation from German occupation and the Canadian Government agreed on January 25, 1949 to accept an Austrian Consul Général in Ottawa.¹⁵ The absence of a treaty has not therefore greatly affected our political relations with Austria.

3. The general views of the Canadian Government on an Austrian settlement were transmitted to the negotiating powers on February 25, 1947.¹⁶ In this statement the Government supported the expressed intention of the Four Powers to see a free and independent Austria re-established and noted with satisfaction the steps which had already been taken to this end. These principles are now re-affirmed in Article 1 of the draft treaty.

4. The Canadian memorandum also suggested that the boundaries should be those existing before the *anschluss* and this has been agreed in Article 5. Our memorandum also supported an early withdrawal of occupation forces after the ratification of the Treaty, a prohibition against a future *anschluss* and other political points of less importance which have all, in one form or another been embodied in the Treaty as at present agreed.

5. During the present negotiations in Vienna, a number of protests have been received from Canadian organizations and individuals regarding Article 16 of the Treaty. As in other Western countries, a number of people in Canada were deeply concerned at the prospect of agreeing to give the Soviet authorities free access to political refugees camps in Austria. They were afraid that the Russians would exert pressure upon these refugees to ensure their repatriation against their will. However, agreement has now been reached in Vienna to drop this article. From the political point of view therefore, the Austrian Treaty appears to be satisfactory to the Canadian Government.

6. The economic articles of the Treaty would also appear to be satisfactory from the Canadian point of view. The Allied and Associated Powers have long been in agreement

¹⁴ Voir/See United States, Department of State, *Bulletin*, Volume XXXII, No. 830, May 23, 1955, p. 833.

¹⁵ Voir/See Volume 15, Document 5.

¹⁶ Voir/See Volume 13, Document 119.

that no reparations shall be exacted from Austria as result of the war (Article 34). The position as regards the other economic articles is however more confusing and requires a word of explanation.

7. The negotiations among the Ambassadors in Vienna were since the beginning dead-locked on Article 35 which deals with German assets in Austria. It now seems that the Soviet Ambassador has accepted a compromise submitted by the U.S. that Article 35 stay in the Treaty but be enlarged by a paragraph referring to the agreement reached by the Austrians and Russians in Moscow for the definite return to Austria of oil fields and the Danubian Steamship Company. The Russians had in mind to retain this article in its present form while the Western Powers insisted that it should be reviewed to take account of the recent Austro-Soviet negotiations and other events. The Western negotiators had also contended that other economic articles had become out-dated during the past twelve months and had come to Vienna with 97 formal amendments to the Treaty they had been prepared to sign during the Berlin Conference of 1954. For their part both the Russians and the Austrians have also had a number of amendments and deletions to propose.

8. In pressing the Western Powers to sign Article 35 in its present form, the Soviet Union appeared to have had two principal objectives:

(a) to prevent any risk of the Austrian Government returning to German or Western ownership Austrian oil fields in the Soviet zone, and,

(b) to take every possible political advantage from the success of the Austro-Soviet bilateral negotiations by dealing with them separately from the Treaty so as to retain all the political kudos for themselves. The principal interest of the U.K., U.S. and Canadian Governments in this article was to protect the oil interests of their respective nationals. One of the largest oil fields in the Soviet zone of Austria is owned by a Canadian, Mr. R.K. van Sickle. Representations have been made through the U.K. Government on his behalf and the Austrian Government have recently agreed, in private negotiations with the U.S. and U.K. Ambassadors, to compensate foreign oil companies who were forced to sell to the Germans at unfair prices after the *anschluss* and have been nationalized by the Austrian Government since the liberation. The van Sickle company is in a stronger position than other British and American interests because it has had its claim recognized under Austrian law.

9. Article 42 is the other principal economic clause of interest to Canada, because it provides for the Austrian Government to restore to U.N. nationals any property of theirs which had been seized by Germany. This article has been revised but its final terms have not yet been brought to our attention. As you may be aware, a number of Canadians will have claims under this article and provisions of the Treaty ensure that their claims will receive equal treatment with those of other U.N. nationals. However, here again the Soviet Union has made an effort to retain the article in its original form while the Western negotiators were seeking to have it revised.

10. Despite the fact that agreement has been reached on all articles, the latest press reports indicated that two main questions remained unsettled:

(a) the form of the Austrian declaration of neutrality, and,

(b) the proposed Four Powers' guarantee of the integrity of Austrian territory.

11. Now that the Soviet Union has agreed to drop Article 17 from the Treaty, Austria will be relieved of the obligation to restrict her armed forces to the very limited levels (53,000 men for the army) which would have been permitted under this article. The text of an Austrian parliamentary declaration of neutrality has been drafted for consideration by the Foreign Ministers but we have not yet received a copy. It would simply note Austria's

intention voluntarily to adopt a neutral policy and refrain both from entering into any military alliances and from permitting the establishment of foreign bases on Austrian territory.

12. Western negotiators have privately agreed with the Austrians to keep the question of a Four Powers' guarantee separate from the Austrian parliamentary declaration of neutrality. The reason for this is partly to make it harder for the Russians to seek excuses later for undue intervention in Austrian affairs on trumped up allegations that Austria is not maintaining her neutrality and partly because the U.S. would have conventional difficulties on guaranteeing Austrian territorial integrity. For this reason the U.S. Ambassador declared that Mr. Dulles would be unable to sign a treaty if the Russians made signature conditional on obtaining firm U.S. commitments to a guarantee of Austrian territorial integrity. The Soviet Ambassador replied that his Government had never suggested guarantees were a pre-condition of signature. The Ambassadors have apparently not been able to dispose of this question which will in all probability be reserved for the Foreign Ministers' Meeting.

13. The U.K. has been considering a formula for a guarantee which would be within the framework of the United Nations. Under it, the Four Powers would solemnly declare that if in the opinion of any of them, there was a threat to, or violation of Austrian territorial integrity, they would treat this as a grave threat to peace and bring the matter immediately to the attention of the United Nations, with a view to securing appropriate United Nations action to meet the situation. We do not yet know whether the French and Americans have accepted this suggestion or whether it has been discussed with the Russians and Austrians.

14. If an Austrian Treaty is signed in Vienna on Sunday, the question of Canada's accession to the Treaty will arise. The Treaty is drafted for signature by the Four Powers and by Austria but provides in Article 58 for any member of the United Nations to accede, and upon accession to be deemed an Associated Power for the purposes of the Treaty. According to the old Article 14 of the Treaty, any bilateral Treaty in existence between Canada and Austria before 1948 would have had to be recorded bilaterally unless Canada acceded to the Treaty. Article 14, however, has also been dropped during the current negotiations. However, if as would appear probable, a number of other Western countries, in addition to the U.S., U.K. and France, decided to accede to the Austrian Treaty, then it would seem desirable for Canada to do so. Even if there was no legal advantage in Canada's accession, it might, in our opinion, be politically desirable to indicate our satisfaction at the re-establishment of an independent Austria.

513.

DEA/50129-40

*Note du sous-secrétaire d'État aux Affaires extérieures
pour le secrétaire d'État aux Affaires extérieures*

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

CONFIDENTIAL

[Ottawa], December 9, 1955¹⁷

AUSTRIAN STATE TREATY

By Article 37 of the Austrian State Treaty any member of the United Nations at war with Germany on May 8, 1945 may accede to the Treaty. When we raised with you on July 27 the possibility of Canada's acceding, you agreed that at that time there appeared to be

¹⁷ Ce mémoire avait d'abord été rédigé pour présentation au ministre le 22 novembre.

This memorandum was originally drafted for presentation to the Minister on November 22.

no particular reason why Canada should accede but that we might raise the matter with you later if circumstances changed.

2. On October 21 a meeting of representatives of interested departments considered whether Canada should accede to the Treaty as a gesture of support to Austria and as a counter-weight to Czechoslovakia, which had announced its intention to accede; there was also the possibility that Poland might do so. At this meeting, the representatives of the Department pointed out that from conversations with the Austrian Foreign Office and with the Austrian Chargé d'Affaires here, we understood that the Austrians would be satisfied to have Belgium's accession to balance Czechoslovakia, assuming that Poland did not accede. A representative of the Department of Trade and Commerce suggested that there might be a slight advantage in acceding to the Treaty if, as a result, Austrian authorities would be better disposed towards Canadian traders, but that the opportunities offered under the Treaty for the establishment of economic relations with Austria were no better than those under GATT. The Foreign Office, however, have commended accession to us on general political grounds. Even so, the political advantages to be derived from Canada's accession appeared to us very limited.

3. The principal objection to acceding to the Treaty is that the Austrians have shown little disposition to reach a satisfactory settlement of the principal Canadian claims arising out of the Treaty and particularly the claims of the Van Sickle oil interests and the Woodcot Estates (sugar). Although a settlement of these claims has not been formally linked with the Canadian accession to the Treaty, nevertheless the Austrians might interpret our action as indicating that we did not take the Canadian claims very seriously. If the Austrians were sufficiently interested in having Canada accede to the Treaty they would make greater efforts to reach a settlement of outstanding Canadian claims. The Canadian Chargé d'Affaires in Vienna has also recommended against our acceding to the Treaty for the same reason. Moreover, the wording of its Article 22 conflicted with the Canadian interpretation of the Berlin protocol of August 1945 concerning German assets in Austria and Italy, since it gave the right to dispose of these to the Four Powers rather than to all the allies.

4. From our discussion with the representatives of other Departments it appears to us that the reasons for not acceding still outweighed the political arguments for accession. I would, therefore, recommend that in the present circumstances Canada should not accede to the Treaty. You might, however, wish us to raise this question with you again in the event that:

- (a) the Austrians make a satisfactory settlement of the major Canadian claims, or
- (b) Poland should decide to accede to the Austrian State Treaty and no other Western country seemed prepared to balance its accession.

Do you agree?

5. Although the Austrians have not shown much interest in having Canada accede to the Treaty they have asked us to recognize officially the perpetual neutrality of Austria as defined in a Constitutional Law passed by the Austrian Parliament on October 26, 1955. I shall consider this problem in a separate memorandum.

J. L[ÉGER]

514.

DEA/50129-40

*Note du sous-secrétaire d'État aux Affaires extérieures
pour le secrétaire d'État aux Affaires extérieures*

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

CONFIDENTIAL

[Ottawa], December 6, 1955

AUSTRIA'S NEUTRALITY

The Austrian Legation has forwarded to us the text of an Austrian Constitutional Law establishing the perpetual neutrality of Austria and has requested on behalf of its Government that the Government of Canada recognize the perpetual neutrality of Austria as defined in this Statute.

2. You will recall that in their negotiations in April 1955 with the Soviet authorities, the Austrians renewed the suggestion they had made at the time of the Berlin Conference in February 1954 that Austria declare its perpetual neutrality and undertake not to enter any military alliances or permit the establishment of military bases on its soil. The proposal was made primarily to overcome the Soviet Union's insistence that it be allowed to retain troops in Austria until the signing of the Peace Treaty with Germany. Austria also indicated that it would seek a Four Power guarantee of its territorial integrity. The Three Western Powers agreed that Austria should assume a neutral status though no specific provision to this effect was written into the Treaty nor was the nature of a Four Power guarantee for Austria discussed in other than very general terms.

3. The Austrian Constitutional Law establishing Austria's neutrality was passed on October 26, the day after Austria's complete sovereignty was finally restored, and entered into effect on November 5. The Austrian Government has now communicated the text of the Law to all governments with whom it maintains diplomatic relations and has asked them to recognize Austria's neutrality. So far as we know Austria has not yet approached any of the Four Powers concerning a guarantee of Austria's territorial integrity, having waited at the request of the Western Powers so that Four Power recognition of Austrian neutrality would not be complicated by any reference to the question of a guarantee. The Four Powers will be recognizing Austria's perpetual neutrality in identical Notes to be delivered to the Austrian Government today. (The text of the United Kingdom Note is attached). We may now, therefore, expect that the Austrians will soon be raising with the Four Powers the further question of a guarantee. Canada will not, of course, be expected to participate in any guarantee. By recognizing Austria's neutrality, Canada would merely be undertaking an obligation not to violate it and would not be involved in any military guarantees.

4. As explained by Chancellor Raab, Austrian neutrality will be virtually restricted to the military sphere, obliging Austria only to refrain from engaging in military alliances and to prevent the establishment of military bases on her territory. Austria will not be prevented from joining international organizations such as the United Nations or regional economic or political bodies and would feel free, for instance, to participate in East-West trade controls in cooperation with the OEEC. In building up its armed forces, Austria will be free to accept military equipment from all of the nations formerly occupying it and will endeavour to be scrupulously impartial in its official dealings with all nations. Chancellor Raab pointed out, however, that Austria will be able to maintain and develop its European and Western ideals and traditions. Austria's neutral status will not make it less friendly to the West.

5. In addition to the Four Powers, I believe eleven other governments have already recognized Austria's neutrality. Of these eleven countries, Italy is, so far as we know, the only NATO member — apart from the great powers — which has recognized, having taken this action before the three powers requested, at a NATO Council Meeting on November 14, that other members of the alliance should defer their replies until the replies of the Four Powers have been delivered.

6. I would recommend that we assure the Austrians, by means of a note† to the Austrian Legation, (draft attached) that the Government of Canada recognizes the perpetual neutrality of Austria as defined in its constitutional law. The draft reply follows closely the terms of the Four Power Notes.¹⁸

7. In case you wish to consult your colleagues in the Cabinet, I am attaching a draft memorandum† to the Cabinet, asking their approval of the Note to the Austrian Legation.¹⁹ ²⁰

J. L[ÉGER]

SECTION D

ITALIE : TRAITÉ DE LA PAIX
ITALY: PEACE TREATY

515.

DEA/50178-40

*Note du sous-secrétaire d'État aux Affaires extérieures
pour le secrétaire d'État aux Affaires extérieures*

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

SECRET

[Ottawa], April 22, 1955

ITALIAN DENUNCIATION OF ITALIAN PEACE TREATY

The Italian Ambassador informed me on April 21 that his Government intends to denounce the Peace Treaty (except those clauses relating to territorial and economic matters) at the same time as it deposits the instrument of ratification of the Western European Union in Brussels next week. The Ambassador was not in a position to tell us the reasons which had motivated his Government's decision.

¹⁸ Voir/See *Documents on International Affairs, 1955*, London: Oxford University Press — Royal Institute of International Affairs, 1958, p. 239.

¹⁹ Note marginale :/Marginal note:

Not necessary. [L.B. Pearson]

²⁰ Léger a ajouté à la main la note suivante./Léger added the following note by hand:

This, I think, could be raised in Cabinet without circulating a memorandum. We should, I presume, wait until your return. J. L[éger]

Pearson a répondu./Pearson replied:

Yes.

Rien n'indique que celle-ci ait fait l'objet d'une discussion au Cabinet en 1955. Le ministère des Affaires extérieures a envoyé une note reconnaissant la neutralité perpétuelle de l'Autriche à la légation de l'Autriche à Ottawa le 13 décembre 1955.

There is no evidence that it was discussed in Cabinet in 1955. The Department of External Affairs sent a note recognizing the perpetual neutrality of Austria to the Austrian Legation in Ottawa on December 13, 1955.

2. After the signature of the Italian Peace Treaty in 1947, the Italian Government on a number of occasions expressed a desire for revision of certain articles which stigmatized or imposed permanent restrictions on Italy. In 1951 the Italians raised the question of revision of the Treaty with all the signatories. Most of the nations concerned were in favour of removing obstacles to cooperation with Italy on an equal footing, but the Soviet Union and the satellites would not agree to revision unless Italy withdrew from NATO. In these circumstances, the United Kingdom, the United States and France suggested to the Italians that *de facto* revision might be achieved by a declaration of the signatories that they no longer considered certain clauses of the Treaty to be operative. On October 4, 1951, you informed a press conference that Canada would give sympathetic consideration to any approach from the Italian Government on this question.²¹ On December 8, 1951, the Italians delivered notes to all the signatories asking agreement that the preamble and certain articles of the Treaty should be considered obsolete. Canada and most of the other signatories replied in identical terms. Our reply stated:

"The government of Canada agrees that the spirit reflected by the preamble of the peace treaty no longer exists and has been replaced by the spirit of the United Nations Charter and that the political clauses of the treaty, articles 15-18, are superfluous. The government of Canada also agrees that the military clauses of the treaty are not consistent with Italy's position as an equal member of the democratic and freedom-loving family of nations and hereby releases Italy from its obligations to Canada under articles 46-70 and annexes relevant thereto".

3. When the Paris Agreements were debated in the Italian Chamber of Deputies, the Neo-Fascist Party presented a draft resolution asking for revocation of the Peace Treaty. The Foreign Minister, Sr. Martino, accepted the motion as a recommendation in the following terms: "In practice, Italy is present in the sphere of international life in the fullness of its sovereignty. We could ask and certainly will decide to ask ... for a more explicit recognition of our equality or rights, so that no shadow of the past may cloud the future, but I should like to point out ... that one does not become equal to others by decree or concession, and that each people succeeds in playing in the history of the world that role which it achieves by virtue of its efforts." Martino's intention was no doubt to persuade the right-wing parties to vote in favour of the Paris Agreements and there was subsequently no indication that the Italian Government contemplated any further step.

4. It is difficult to see what practical advantages the Italians hope to gain by denouncing the Treaty because those parts of the Treaty which are objectionable to them are to all intents and purposes inoperative in view of the *de facto* revision achieved by the exchange of notes in 1951. In principle we find it difficult to approve of a unilateral denunciation of an international engagement and the precedent might well prove unfortunate. The Italian action is hardly likely to increase that country's international prestige and the denunciation would probably make more difficult the eventual entry of Italy into the United Nations. Furthermore, the timing of this step seems somewhat inopportune when negotiations for a peace treaty with Austria are well under way and when plans are being made for negotiations with the Soviet Union which would touch on the question of a peace treaty with Germany. The principal Italian objections to the Treaty seem to be psychological and the advantages which the Italian Government sees in denouncing it at this time appear to be internal.

²¹ Voir/See Volume 17, Document 900.

5. The Peace Treaty has been a continuing source of irritation to Italians because of the inferior international status it confers upon Italy. It is popularly known as the "diktat" and the Monarchists and Neo-Fascist Parties never miss an opportunity to remind Italians of the inequality and inferiority it imposes. Italy's international prestige is an important plank in the Christian Democratic Party platform, and Prime Minister Scelba's visits to London, Ottawa and Washington have drawn public attention to Italy's foreign relations. Public interest in Italy's international position was demonstrated by the enthusiasm with which Sir Winston Churchill's statement that Italy had regained her position as a great power, was greeted. In addition, in view of the prospect of restored sovereignty in neighbouring Austria, there may be considerable public pressure in Italy for an overt act to eliminate any vestige of Italian inferiority.

6. The Italian Government must submit its resignation to the new President of Italy who will be inaugurated on May 12. Considering the unsuitability of the present coalition of Christian Democrats, Liberals and Social Democrats, the offer of resignation might be accepted. In recent weeks there has been a good deal of political manoeuvring and Sr. Scelba may be taking this step to curry favour with the Neo-Fascists and Monarchists as a counteraction to recent negotiations between the Nenni-Socialists and Sr. Fanfani, Political Secretary and left-wing spokesman of the Christian Democratic Party.

7. Italy has frequently expressed anxiety over the possibility of a Franco-German axis developing once Germany's sovereignty is restored and this uneasiness is particularly profound in the economic field. It is difficult to imagine what difference denunciation of a treaty which is largely inoperative would make but the Italians may feel that this kind of an assertion of sovereign equality would buttress their position. There is a still more remote possibility that the United States may have inspired this step in an attempt to throw the Russians on the defensive once more on the Austrian and German questions but this appears to be extremely unlikely.

8. The Italian plan is most easily explained in the context of Sr. Martino's undertaking to the Chamber of Deputies, coupled with possible advantages in internal political manoeuvring. We wonder whether the Italian Government might consider this obligation to the Chamber of Deputies would have been met if the reaction of friendly signatories was unfavourable and the Government decided that denunciation at this time was not desirable.

9. We had considered the possibility that the Italians might agree to change from an outright denunciation of the Treaty to a request to all signatories to declare that they considered the Treaty no longer applicable, as was done in December 1951. It might well be, however, that the Italian Government have decided on denunciation in order to strengthen their hand internally, and nothing less than an outright denunciation would satisfy the nationalists.

10. We can hardly take a decision on the question of whether or not to urge reconsideration on the Italians until we hear from London, Washington and Rome. If the Big Three are not prepared to oppose the move, then we can hardly do so alone. We will prepare a further memorandum as soon as more information has been received from Rome, Paris, London and Washington.

11. In the meantime our missions in London and Paris, whom we asked for local reactions, have reported that no Italian approach had been made to the United Kingdom or

French Governments. We have as yet no explanation for this, since we took it for granted that the Italians would have notified the French and British.

R.A. M[ACKAY]
for Under-Secretary of State
for External Affairs

516.

DEA/50178-40

*Note du sous-secrétaire d'État aux Affaires extérieures
pour le secrétaire d'État aux Affaires extérieures*

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

SECRET

[Ottawa], April 27, 1955

ITALIAN DENUNCIATION OF THE ITALIAN PEACE TREATY

The following developments have taken place on this question since my memorandum to you of April 22:

(a) The Italian Ambassador here has been informed that our preliminary reaction at the official level to his statement that his Government intends to denounce the Peace Treaty was unfavourable, for the reasons outlined in paragraph 2. He seemed receptive to alternative procedures and was interested in our suggestion that Italy's associates in WEU were more directly concerned than Canada and that revision of the Treaty might be discussed in WEU and subsequently in NATO.

(b) Reports from our European missions indicate that our misgivings about the juridical and political consequences of unilateral denunciation of the Treaty are shared by the United Kingdom, United States, France and The Netherlands. These countries would be agreeable to concerted action in Rome, if necessary. The Italians are said to have given assurances to the United Kingdom, the United States and Dutch Ambassadors, that a unilateral denunciation will not be made without prior consultation with Italy's allies and that Italy intends to abide by its international obligations under the Treaty.

(c) All the indications are that internal political considerations inspired the proposal and our Embassy in Rome has reported that the Italian Foreign Ministry is opposed to denunciation. The proposal is a personal initiative of Martino and the Embassy has called attention to the undertakings of the Italian Foreign Minister during the debates on the Paris Agreements in the Chamber of Deputies and the Senate. At that time Sr. Martino agreed to seek a more explicit recognition of Italian international equality. In addition, there is apparently considerable criticism of the Government in Italy for its failure to obtain terms as favourable as those incorporated in the Peace Treaty with Japan, the arrangements with West Germany and the proposed Austrian Treaty.

2. When we informed the Italian Ambassador here of our preliminary reaction at the official level, we stressed that we had not had an opportunity to discuss this question with you. We pointed out that our attitude would, to some extent, be conditioned by the reaction of Italy's associates in WEU who were more directly concerned. We found it difficult in principle to approve of a unilateral denunciation of treaties because of the juridical and moral effects. We pointed out that such a step would reflect on Italian international prestige and add to the difficulties of Italy gaining admission to the United Nations. We said that we thought the timing was inopportune when prospects for an Austrian Treaty were good

and we wondered why Italy, if it considered some action necessary, was contemplating a unilateral denunciation instead of repeating the procedure that was followed in 1951 when most of the signatories agreed that the preamble and certain political and military clauses of the Treaty were no longer applicable.

3. The Italian Ambassador stressed the importance in Italian internal politics of a denunciation of the Treaty. He pointed out that his Government was constantly being criticized in Italy for its meekness in ratifying the Treaty without extracting concessions. He said that the Peace Treaty with Japan and the arrangements with West Germany were held up as examples of the terms Italy might have obtained. The Ambassador suggested that an unfavourable psychological reaction outside Italy might be avoided by a declaration to the effect that the Italian Government considered the pertinent clauses of the Treaty to have expired.

4. Apparently Italian representatives were instructed to ascertain the reaction in Ottawa, Washington, Brussels and The Hague, but not in London and Paris. CRO telegrams indicate that some Italian Ambassadors interpreted their instructions to mean that they should sound out the Government to which they are accredited, while other Ambassadors simply announced the intention to denounce the Treaty. The United Kingdom and French Governments were not sounded out because their favourable²² reaction was anticipated. However, Foreign Office reaction has been anything but favourable. The United Kingdom Embassy in Rome has expressed to the Italian authorities the United Kingdom's strong disapproval of such a unilateral step, which might have to include a formal rejoinder to any public declaration. The Foreign Office was in favour of our suggestion that this question might be discussed in WEU and subsequently in NATO if the Italians persisted but considered that the Italians should not be given encouragement.

5. In the absence of Mr. Dulles and pending further study, the State Department gave the Italian Ambassador in Washington an indication of serious doubts at the official level. The State Department was apprehensive for reasons similar to those outlined in our first memorandum, and thought that the Italian proposal was designed to meet criticisms that the Japanese and Austrian Peace Treaties provided better terms for former enemies than were accorded to Italy, a part-time wartime ally. When Sr. Martino visited Washington at the first of April, he made a passing reference to the Peace Treaty and indicated he would be writing to ask for Mr. Dulles' views about action which might be taken, but no communication was subsequently received.

6. The French Government has not been approached but considers a unilateral denunciation of the Peace Treaty by Italy to be ill-advised. The Quai d'Orsay suggested that Martino aspires to the Italian Presidency (election April 28) and he may be seeking a spectacular step to enhance his prestige. The French think that the Italians will not take any participate action now because of the unfavourable reaction here, in Washington and Brussels and that no further action is desirable unless Italy raises the question again. In the latter event, the French agree to our suggestion of discussion in WEU and NATO with a view to formulating a joint declaration.

7. You will recall that the Italian Ambassador informed us that his Government intended to denounce the Peace Treaty at the same time as it deposited an instrument of ratification of the Paris Agreements in Brussels this week. Our understanding is that Italy has deposited this instrument in Brussels. Consequently, it seems likely that the Italians have

²² Note marginale :/Marginal note:

? (or otherwise) [auteur inconnu/author unknown].

dropped the idea or postponed implementation of it. We have asked our Embassy in Rome whether, from our point of view, the internal political situation in Italy is sufficiently critical to offset the serious objections which we see to the Italian proposal. Unless there is an imminent possibility of the Communist Party coming to power in Italy — and it is difficult to see how this could come about at the present time — I think we should continue to oppose unilateral action by Italy. The Italian Ambassador probably expects an official response to his inquiry and, if you agree, I will inform him officially of our views but will not suggest any alternative course unless further representations are made by the Italians.

J. L[ÉGER]

517.

DEA/50178-40

*L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures*

*Ambassador in United States
to Secretary of State for External Affairs*

TELEGRAM WA-750

Washington, May 9, 1955

CONFIDENTIAL. IMPORTANT.

Reference: Your teletype EX-859 of May 7.†
Repeat London No. 26; Paris No. 10, Canac No. 13.

ITALIAN PEACE TREATY

James Engle, desk officer in the Office of Western European Affairs, told us this afternoon that yesterday in Paris Foreign Minister Martino gave Secretary Dulles the text of a statement on the Italian Peace Treaty which Martino would like Dulles to make soon, presumably at a NATO meeting. If Dulles agrees to make a statement, the Italians will ask the British and French to associate themselves with it.

2. The draft submitted by Martino is very short (six or seven lines) and in effect reaffirms the declaration of December 1951 by Canada and other signatories of the Italian Peace Treaty. According to Engle, Martino's text includes a sentence to the effect that the United States now considers Italy to be released from the "discriminatory features" of the Peace Treaty. Engle said that Martino's text is being "processed" in the State Department and no decision has yet been taken about it. He thought that notwithstanding the earlier decision that a declaration was undesirable, there is now a good possibility that the Department might recommend that Dulles make some reference to the Peace Treaty (perhaps along the lines suggested by the British, French and United States Ambassadors in Rome). If so, it is unlikely they would adopt Martino's text; and in no case would a United States declaration include a reference to "discriminatory features".

3. We took the opportunity to tell Engle that the Minister had spoken to the Italian Ambassador in Ottawa (your teletype EX-859 of May 7).† Engle agreed with you that Fenoaltea was somewhat behind the times.

4. The State Department will inform us when a decision has been reached about a statement by Dulles.

A.D.P. HEENEY

518.

DEA/50178-40

*Le représentant permanent auprès du Conseil de l'Atlantique Nord et l'OEEC
au secrétaire d'État aux Affaires extérieures*

*Permanent Representative to North Atlantic Council and OEEC
to Secretary of State for External Affairs*

TELEGRAM 611

Paris, May 11, 1955

SECRET

Reference: Your telegram No. 508 of May 9.†

COUNCIL MEETING, MAY 10; DENUNCIATION OF THE ITALIAN PEACE TREATY

Your telegram under reference only arrived towards the end of the meeting. In spite of its content, Dulles, directly after the discussion on Item III (reported in our immediately preceding telegram)²³ stated that he would like to raise a related, if slightly different, matter following from the remarks made by Martino pledging continued Italian support to WEU and to NATO. The United States were aware of the very important role which Italy had played and on the occasion of the entry into force of the Paris Agreements the United States Government wanted to give recognition to that fact. They consequently declared that they regarded any discriminatory aspects of the Italian Peace Treaty to be superfluous and their future relationship with the Italian Government would be guided by that spirit.

2. The United Kingdom, France and ourselves asked to be associated with Dulles' declaration. Spaak stated that he was quite unprepared to consider the question and had not heard previously that it would be raised. He had not thought that there was discrimination, but, if it did exist, he, personally, would like to associate himself with the previous speakers. However, it was essential to know what was required. If the Italian Government desired such a declaration, it should be agreed among all other NATO partners and should presumably be made public to have the desired effect. If it were not handled according to some common procedure, the unfortunate impression might be given that those countries which made no declaration similar to that of the United States were, in fact, implying by default that discrimination should continue. It would be best to try to agree on some brief statement for inclusion in the communiqué. Beyen was in a similar position to Spaak and Zorlu was unable to express any views of his government. Spaak's suggestion was accepted and the communiqué is to include a suitable reference to the matter.²⁴

L.D. WILGROSS

²³ Voir/See Document 187.

²⁴ Voir OTAN, Congrès, *Textes des communiqués finals, 1949-1974*, Bruxelles : Service de l'information OTAN, s.d., p. 94.

See North Atlantic Council, *Texts of Final Communiqués, 1949-1974*, Brussels: NATO Information Service, n.d., pp. 89-90.

SECTION E
IMMIGRATION

519.

PCO

*Note du ministre de la Citoyenneté et de l'Immigration
pour le Cabinet**Memorandum from Minister of Citizenship and Immigration
to Cabinet*

CABINET DOCUMENT NO. 228-55

Ottawa, November 15, 1955

CONFIDENTIAL

FINANCIAL MEASURES TO ASSIST IMMIGRATION

1. During the first nine months of 1955, 86,607 immigrants have been admitted to Canada. This is approximately 32% less than during the corresponding period of 1954. Some of the reasons for this decrease appear to be the adverse publicity given in Canada and abroad to employment conditions in Canada last winter, the improved economic conditions resulting in a high level of employment in many European countries, and more complete social security benefits available in most European countries, particularly in the United Kingdom.

2. On December 14, 1950, Cabinet authorized the Minister of Citizenship and Immigration to advance on a recoverable basis part or all the cost of transportation for immigrants whose services were urgently required.²⁵ The Assisted Passage Loan Fund Regulations were promulgated as a result of Cabinet's decision, providing for the granting of loans to heads of families and single persons whose services were urgently required in Canada. These loans are repayable over a period of two years by monthly instalments, determined in relation to the immigrant's earnings and family circumstances.

3. Since its inception 32,255 persons had availed themselves of the Assisted Passage Loan Scheme up to the end of September, 1955. This represents an expenditure of \$5,231,702.07 of which, by the end of September last, \$4,874,754.36 had been collected; that is, for every dollar actually paid in loans, 93.2 cents had been recovered by the end of September, 1955.

4. It is significant that immigration to Australia is remaining at a high level and the important factor is undoubtedly the subsidized passages that are available under their assisted programme. It is believed that Canada should adopt somewhat similar arrangements if immigration to this country is to be increased to a useful proportion. In this connection, two proposals have been considered:

- (a) Broadening the scope of the Assisted Passage Loan Scheme; and
- (b) Participation in the British Empire Settlement Scheme.

5. Assisted Passage Loan Scheme

(a) It is suggested that loans under this scheme be made available to all immigrants and to wives and unmarried minor children of immigrants, and that the amount to be advanced be according to the needs and circumstances of each case. Under this plan, loans on behalf

²⁵ Voir/See Volume 20, Document 976.

of dependents would be made whether or not the head of the family is himself taking advantage of the loan; but in the case of those who have preceded their family to Canada and who came forward by means of an Assisted Passage Loan, further loans with respect to the dependents would be made only if the head of the family was up to date with his payments.

(b) The period of repayment should be determined on an ad hoc basis, as in some cases the total amount of the loan, if it had to be repaid within a period of twenty-four months, might be a serious handicap to the proper establishment of the immigrant in Canada.

(c) It is believed that the main advantage accruing from a liberalized Assisted Passage Loan Scheme is that it would attract immigrants who are interested in migrating to Canada but have not done so because they are unable to pay transportation costs or are reluctant to leave their families behind or lack sufficient funds to make the move to this country as a unit. Another important advantage would be that any change in our policy with regard to Assisted Passages would certainly receive favourable publicity abroad which in itself would stimulate an interest in immigration to this country.

6. *The British Empire Settlement Scheme*

(a) The Empire Settlement Act which is in force in the United Kingdom provides for joint assistance for suitable persons of the United Kingdom intending to settle in any part of the overseas Dominions under:

(i) a development or land settlement scheme; or

(ii) a scheme for facilitating settlement in or migration to any part of the overseas Dominions,

by assistance with passages, initial allowances, training or otherwise; provided that the United Kingdom's contribution shall not in any case exceed one-half of the expenses of the scheme and provided that the total amount extended by the United Kingdom should not exceed £1,500,000 a year. This Act will be in force until 1957. It is understood that Australia is the Commonwealth which has taken the largest number of immigrants under this Scheme.

(b) With a view to reaching an agreement on subsidizing immigration from the United Kingdom in combination with our Assisted Passage Loan Scheme, an approach could be made to the United Kingdom authorities suggesting that Canada would be willing to take advantage of the Empire Settlement Act under the following conditions:

(i) British immigrants from the United Kingdom would pay the first £10 of their ocean and inland passage, the balance being provided for under the Canadian Government Assisted Passage Loan Scheme.

(ii) At the end of one year, upon evidence that the immigrant is properly established in Canada, the amount advanced under the Assisted Passage Loan Scheme for his ocean and inland transportation would be paid by the United Kingdom and Canadian Governments on a fifty-fifty basis. Payments made by the immigrant on the repayment of his assisted passage loan would be returned to him. This would help the immigrant in his establishment here.

7. The advantage of combining the British Empire Settlement Scheme with our Assisted Passage Loan Scheme and imposing the aforementioned conditions would be to ensure that those immigrants participating in it were sincere in their desire to settle in Canada.

8. Should it be agreed that an approach be made to the British authorities along the lines suggested, then it is deemed appropriate to offer a similar arrangement to the French authorities.

THE UNDERSIGNED, THEREFORE, RECOMMENDS:

(1) THAT assisted passage loans be made available to all immigrants, and to the wives and unmarried minor children of immigrants who are accompanying their family to Canada or have preceded them to this country; the amount to be advanced to be determined in each case according to the needs and circumstances. The period during which such loans are to be repaid, to be fixed administratively on an ad hoc basis.

(2) THAT the Minister of Citizenship and Immigration be authorized to discuss and conclude arrangements with the United Kingdom authorities whereby Canada will take advantage of the Empire Settlement Act on the basis of the immigrant paying £10 towards the cost of ocean and inland passage, the balance to be provided under the Canadian Government's Assisted Passage Loan Scheme, to be reviewed in one year's time and, if the immigrant is properly established in Canada, the amount of the assisted passage loan to be paid by the Government of Canada and the United Kingdom on an equal basis, with any payments that might have been made being refunded to the immigrant.

(3) THAT the Minister of Citizenship and Immigration be authorized to offer the French authorities an arrangement similar to that offered to the United Kingdom authorities.²⁶

[J.W. PICKERSGILL]

2^e PARTIE/PART 2EUROPE DE L'EST ET L'UNION SOVIÉTIQUE
EASTERN EUROPE AND THE SOVIET UNION

SECTION A

VISITES OFFICIELLES
OFFICIAL VISITS

520.

DEA/12230-40

*Note du chef de la Direction européenne
pour le sous-secrétaire d'État aux Affaires extérieures*

*Memorandum from Head, European Division,
to Under-Secretary of State for External Affairs*

SECRET

[Ottawa], August 3, 1955

THE EXCHANGE OF OFFICIAL VISITS WITH SOVIET BLOC COUNTRIES

Over the past several months, there has been a great increase in the exchange of visitors between Canada and the U.S.S.R. The increase has resulted largely from Soviet initiative; Canadians have been asked to visit the U.S.S.R., while permission has been asked for groups from the Soviet Union to visit Canada. In this memorandum, which has been prepared in consultation with the other Divisions interested, I shall consider some of the problems raised by the exchange of visits by government, leaving to a later memorandum the broader question of "cultural" exchanges.

²⁶ Approuvé par le Cabinet le 30 novembre 1955./Approved by Cabinet on November 30, 1955.

2. We think that the exchange of visits should be encouraged. We have always assumed that we would benefit from a freer exchange of ideas with the Soviet Union; it was evidently the Soviet Union's fear of such an exchange that led it to erect the Iron Curtain. We should try to exploit its present change of heart, particularly since we have no idea how long it may last. We may not be able to convert from communism the sort of people selected to go on official tours of Western countries, but we can show them Canada, its people and its accomplishments, and explain to them our policies. These advantages should far outweigh the increased opportunities for subversion and espionage which will be opened to the visitors. We could benefit greatly from sending competent observers to the Soviet Union, especially since visiting delegates are frequently shown things which members of the Embassies are not allowed to see and since officials sent over might bring to their observation a degree of specialized scientific or technical training which members of our Embassy do not normally possess. In the exchange we would come out much the better, since Soviet observers in Canada would be unlikely to see things about which they could not have learned from many other sources, while our people in the U.S.S.R. might pick up information otherwise unavailable.

3. If we take the initiative, we can, to a great extent, prevent visits to Canada being exploited by Communists for propaganda purposes here, and also, by arranging for conducting officers, can eliminate to some degree the security risks involved. Visits to the Soviet Union by intelligent government officials would help to offset the effect of the many visits currently made there by Canadian communists and fellow travellers.

4. At the moment, the exchange of visits is not as profitable to Canada as it could be, for a variety of reasons. So far, the exchange has taken place largely at the request of the Soviet authorities, although very occasionally we have taken the initiative. The recent invitation to two Canadian scientists to attend a Moscow conference on atomic energy and the Soviet request that their agricultural delegation to the United States be allowed to come to Canada as well are typical. As a result, the Soviet Union is able to decide what sort of visit should take place and to choose a time most convenient for its purposes — when it has a special exhibition to impress observers, for instance; when the presence of officials of a foreign government in the U.S.S.R. would add point to a particular propaganda move; or when it hopes to make contacts in a sphere of immediate interest to its intelligence people.

5. The Soviet Union has so far financed almost all of the visits. We do not normally pay the expenses of Soviet officials visiting this country, although they occasionally enjoy the hospitality of private Canadian firms, while the U.S.S.R. generally pays for the lavish reception given to Canadian visitors there. The Soviet financing of visits both ways has tended to re-enforce its control over the planning of the visits. It may have had the added disadvantage of rendering even official Canadian visitors to the Soviet Union less willing to criticize objectively a country which was acting as host in such an ostentatiously generous way than they would have been had they been sent at Canadian expense.

6. To make the exchange of visits more profitable, there is an obvious need to develop a consistent Canadian policy, instead of dealing with each invitation or request for a Soviet visit as it comes. This department should first of all consider how extensive these exchanges should be. We could then ask other departments to consider whether any of their officials might benefit from a chance to inspect Soviet work in their field. At the same time, consideration could be given to the type of Soviet official who might be asked here. An exchange of specialists in a field in which Canada is particularly interested and in which Soviet and Canadian problems are similar, such as agriculture or Arctic research, might be found desirable. In any case, an analysis of the type of exchange we preferred would enable us to take the initiative.

7. Since we have not followed a consistent policy with respect to the exchange of visits, the security and intelligence aspects of it have not always been too well arranged. We have not provided guides and interpreters to Soviet delegations here or interpreters and advisers to Canadian delegations behind the Iron Curtain. The Joint Intelligence Committee is already considering the intelligence aspects of the visits, and the Security panel has been invited to consider the security aspects. Attached for your information is a JIC paper of July 7, 1955† on the subject. The utility of having Canadian officials visiting the U.S.S.R. accompanied by their own interpreters and advisers is obviously great, although possibly difficult to arrange, particularly for smaller delegations. The groups could, of course, be given political advice by this department and briefings by the relevant intelligence organization. By providing guides and interpreters to Soviet groups here, we would have a better check on security, and would gain more information about the reaction of the groups to what they saw. We would also give the groups themselves a more accurate impression of Canada by improving the arrangements for their visits, and removing them to some extent from complete dependence on their Embassy.

8. We should try to obtain enough money to finance some of the visits, particularly those of Canadians to the Soviet Union when the visit is to be made at our request. Some government departments may already have funds to pay for trips by their experts, and if the positive value of their trips to the Soviet Union could be demonstrated, more money might be made available.²⁷ The present government hospitality budget would not, I understand, allow us to pay for many Soviet visits here, but we might be able to obtain a special grant for this purpose. Paying for Canadian delegations would be easier, of course, if the Soviet Union dropped its artificial rate for roubles, but even at the present disadvantageous rate, we should insist on paying a greater share of the costs.

9. To consider the problems raised by the exchange of visits a departmental committee should be set up, perhaps with an assistant under-secretary as chairman.²⁸ It could include the heads of the Information, Consular, Defence Liaison (2), European and Protocol divisions and the Political Co-Ordination section, and the Press Officer, with an officer of D.L. (2) as secretary. The committee could first consider long term policy, and might later be consulted about individual cases. It could also advise other departments concerning the visits. You will note that the J.I.C. expressed the hope that this department would set up such a committee.

10. I consider that we should welcome the Soviet Union's interest in exchanging visits and should encourage it, since the exchange will allow us to explain Canada to Soviet officials while giving our people a chance to obtain valuable information about the U.S.S.R. To make the exchange more profitable to Canada I would recommend:²⁹

(a) that a departmental committee be established to consider the problems posed by exchanges, to formulate a general policy for handling them as well as considering particular cases, and to consult with other government departments;

(b) that other departments be asked to advise us as to the type of exchanges which they consider most useful, and to inform us of any Soviet invitations they may receive;

²⁷ Note marginale :/Marginal note:
overt or covert funds? i.e. come clean with Parliament? R. M[acdonnell]

²⁸ Note marginale :/Marginal note:
Yes. Mr. Chapdelaine to chair. R. M[acdonnell]

²⁹ Macdonnell a approuvé ces trois recommandations dans une note marginale.
Macdonnell approved these three recommendations in a marginal notation.

(c) that, on the basis of recommendations by the committee and other departments, Canada take the initiative in proposing visits by Canadian officials to the U.S.S.R., and inviting Soviet officials here.³⁰

R.A.D. F[ORD]

SECTION B

POLOGNE

POLAND

521.

DEA/9533-40

*Note du sous-secrétaire d'État aux Affaires extérieures
pour le secrétaire d'État aux Affaires extérieures*

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

CONFIDENTIAL

[Ottawa], July 6, 1955

WHEAT FOR POLAND

As you know, this matter was considered by Cabinet on June 15, following an offer by Poland to buy wheat and rye on credit. The Minister of Trade and Commerce was authorized "to inform Poland that the Export Credits Insurance Corporation would be prepared to enter into a contract of insurance for the sale of a maximum of 250,000 tons of wheat, valued at approximately \$22.5 million, on the terms of 15 per cent cash at time of purchase, with the balance of 85 per cent payable 12 months, from the date of shipment if payment were guaranteed by the Polish government". It was decided that "export credits insurance be not extended to cover sales of rye".

The wheat transaction was agreed to on June 29 by an exchange of letters† between Mr. Sharp of Trade and Commerce and the Polish Chargé d'Affaires. The relevant papers are attached. The salient features of the transaction are that an authorized Polish National Trade Organization will obtain the wheat from Northern Sales Limited, an agency of the Wheat Board. The credit, covering 85% of the shipments, is to be extended by a commercial bank. The Canadian Government enters into the transaction by insuring the exporter under the Export Credits Insurance Act.

The Canadian Government has made similar arrangements during the past three years to facilitate the sale of wheat to Brazil and Yugoslavia. In both cases payments have been made on due date, although in the case of the latest arrangement with Yugoslavia we have recently been informed that the Yugoslav Government would like to postpone payments. (This information has not, of course, been made public.)

The United States does not sell wheat on credit to Iron Curtain countries. The United States has, however, provided surplus wheat to Yugoslavia as well as to a great many "friendly" countries. This method of disposing of surplus grain tends to disrupt normal commercial markets and normally involves payment in local currencies. Argentina sells wheat to several Iron Curtain countries on a barter basis but this is not comparable with our

³⁰ Note marginale :/Marginal note:

Bear in mind that the Minister's visit [to the Soviet Union] will be a big (and fairly expensive) item on one side of the ledger. R. M[acdonnell] 9/8/55

transaction with Poland, or with the United States surplus disposal programme. Australia shipped £295,000 worth of wheat to Poland in 1949-50 and 262,000 bushels of wheat to Rumania in 1954-55. We have no information that either of these shipments involved credit arrangements, although this is possible. Australia shipped £122,000 worth of wheat to Communist China in 1950-51.

Our arrangement with Poland can, I think, be regarded as a straight commercial transaction. The initiative came from the Polish Government, which wanted to buy our wheat "on credit" and which was clearly not prepared to pay cash for more than a small percentage. It was felt that the Canadian Government would be justified in authorizing export credits insurance to cover the deal, as had been done in the case of similar sales in the past to Yugoslavia and Brazil. (Incidentally, according to our information, there has been no Government-backed sale of wheat on credit to Czechoslovakia, as was indicated in the House by the Prime Minister.)³¹ This decision, of course, is consistent with our general policy of trading in non-strategic goods with Iron Curtain countries.

Even the export credits aspect is not entirely new. Between 1947 and 1949 exports to Poland of rags and hides totalling about \$600,000 were insured by the Export Credit Insurance Corporation, as were shipments of hides to Czechoslovakia totalling \$2,800,000 in 1949. These arrangements, unlike the arrangement for wheat to Poland, were made directly by the Corporation and did not come under Section 21 which requires Government sanction and backing of the consolidated revenue fund. Nevertheless they do indicate that there are precedents for insurance of commercial deals worked out with agencies in Iron Curtain countries so long as this can be done in a business-like manner.

To my knowledge the Government has received no formal requests for wheat on credit other than those mentioned in this memorandum. (I am, of course, leaving out of account the wheat which we have provided to Pakistan and India on a grant basis inside and outside the Colombo Plan.) The Polish deal will probably sharpen the interest of grain merchants who make a practice of "shopping around" among wheat-consuming countries to see if the latter would be interested in buying wheat on credit from exporting countries. The Department of Trade and Commerce is not worried by this prospect; they have had "feelers" from such merchants in the past and they will examine any firm offers which develop on their merits — for example, a possible deal with Hungary which Cabinet has approved in principle. In any case most countries consider it uneconomical to buy wheat on credit.

Mr. Black of the United States Embassy enquired about the wheat deal with Poland by telephone on Tuesday. We gave him the salient facts, stressed that it is a straight commercial deal and referred him for details to the Department of Trade and Commerce. We believe that, while the United States authorities might be disposed to regard the arrangement we have made with Poland as regrettable politically, the Departments of government in Washington concerned with disposal understand our motives. In fact, we understand that they have considered disposing of such surpluses to Iron Curtain countries but have so far been restrained by general policy considerations.

J. L[ÉGER]

³¹ Voir Canada, Chambre des Communes, *Débats*, 1955, volume 5, p. 5821.
See Canada, House of Commons, *Debates*, 1955, Volume 5, p. 5557.

522.

DEA/9533-40

*Le sous-secrétaire d'État aux Affaires extérieures
à la Légation en Pologne*

*Under-Secretary of State for External Affairs
to Legation in Poland*

LETTER E-469

Ottawa, August 5, 1955

SECRET

POLISH-CANADIAN TRADE DISCUSSIONS, MAY 1955

Pressure of work has held up preparation of a report on our trade discussions with the Polish Delegation in May. I now attach a copy† of the informal record of the meetings held in Ottawa between Canadian and Polish representatives.

2. The meetings were held without the slightest difficulty being raised by Polish representatives and in a cordial atmosphere. Discussion was entirely in English which appeared to be understood to varying degrees by individual Polish representatives but which was spoken fluently by the Chairman of the Polish Delegation and the Commercial Counsellor of the Legation in Ottawa who was a member of the Delegation for intergovernmental discussions. Unlike Czech representatives at similar meetings last year,³² the Poles agreed very readily to separate discussions of particular problems and to discussion of the customs valuation problem before discussion of general trade matters. At the first meeting on May 6, the Polish representatives indicated that they were in no hurry to conclude arrangements and that they intended to stay some time in Canada and in particular wished to visit the Trade Fair. Subsequently, on May 10, they revealed that they were somewhat anxious to conclude arrangements in connection with the customs valuation problem since shipments of glass subject to anti-dumping duty were expected to arrive in Montreal towards the end of May. The progress of the meetings was facilitated primarily by the knowledge of Polish officials in regard to the customs arrangements concluded last year with Czechoslovakia. Indeed, at the first meeting with officials of the Department of National Revenue, they appeared to have copies of the relevant documents which had been exchanged last year with Czech representatives (although those documents had never been made public). Progress was also facilitated by the calibre of the Delegation, particularly Mr. Dobrzanski who remained urbane throughout the discussions. An example of his tactics occurred at a meeting with officials of the Department of Trade and Commerce when, after the Poles had expressed interest in purchasing aluminum and copper and it had been explained that these goods were subject to strategic controls, Mr. Dobrzanski stated that an explanation of our controls was unnecessary and that these products had merely been mentioned to indicate Polish willingness to purchase when we were in a position to sell. This was an entirely different tactic from that of the Czech representatives last year who insisted upon a full explanation of our control system and pressed for arrangements to be made to sell such products to Czechoslovakia despite strategic controls.

3. In addition to the meetings of which the record is attached, Mr. Dobrzanski and Mr. Markowski, the Polish Chargé d'Affaires in Ottawa, paid calls on the Minister of National Revenue, the Minister of Trade and Commerce, and the Under-Secretary of State for External Affairs in the Minister's absence. These visits were all made on May 13. Immedi-

³² Voir/See Volume 20, Document 696.

ately prior to these calls, it was mentioned to them by Mr. Ritchie that in the near future, Canada might propose formally that representatives of the two Governments should meet to discuss settlement of claims of Canadian citizens against Poland, and possibly the question of Polish assets held by the Canadian Custodian. Mr. Markowski undertook to communicate this to his Government and made a rather subtle reference to the question of the Polish Art Treasures. Prior to their call upon the Minister of Trade and Commerce, they presented a draft memorandum† on trade matters which they proposed might be agreed upon by representatives of both governments. This was somewhat unexpected in view of the results of the two short meetings held earlier in the week with representatives of Trade and Commerce to discuss general trade questions; but since we agreed upon a somewhat similar memorandum with the Czechs, we were not surprised when the Poles requested agreement upon the trade memorandum. It would appear to be a matter of "keeping up with the Joneses".

4. On the whole, the Polish Delegation appeared to be an able group and was quite familiar not only with the customs valuation arrangement worked out with Czechoslovak representatives but also with the general trading practices of the Canadian Government and of private businesses in this country. Unlike Czech representatives in last year's discussions, they understood on their arrival that Canadian trade is almost exclusively conducted by private traders. Included in the Delegation were representatives of Polish Trading organizations who came to Canada primarily to discuss business matters with Canadian importers and to a lesser extent with exporters. Two of the representatives of Polish export agencies were not included in the delegation for intergovernmental discussions and those who were included in the delegation did not really take part to any great extent. From informal discussions at social gatherings they did however appear to be well briefed on the matter of Canadian trade and upon the areas of the country in which each could best discuss trade prospects with the Canadian traders.

5. The two members of the Delegation who took part in discussions with Canadian representatives were the Chairman Mr. Dobrzanski and the Commercial Counsellor of the Legation here, Mr. Arthur Zyto. These two alone discussed the problems of customs valuation and general trade from the Polish view point. Mr. Dobrzanski, we were informed, is the equivalent of an Assistant Deputy Minister and has represented Poland at trade discussions in many countries in Europe and Latin America. He impressed us as being an able, intelligent, and skilful negotiator. He refused to be drawn out on any major point or to put forth Polish proposals and he commented on any proposal only after specific suggestions had been put forth by Canadian representatives. Originally, we had intended to have Polish representatives submit proposals before any specific suggestions were put forth on our side, particularly in regard to the problem of customs valuation. However, when it became obvious that they had a thorough knowledge of arrangements made with Czech representatives last year and that such arrangements would be acceptable to them, we proposed a similar arrangement should be made with Poland. A similar arrangement had been our original intention and there was no point in dragging out discussions when it was obvious that such arrangements would be satisfactory to representatives of both countries.

6. In contrast to our discussions with Czech officials last year, when local Czech representatives kept in, or were forced into, the background, local Polish representatives took a major part in the discussions. Zyto, as mentioned above, was the only one besides Dobrzanski to contribute substantially to discussions and it was noted that he put forth the primary views of the Polish representatives in many instances, and did much of the talking for the Poles in the meeting with officials of the Department of Trade and Commerce. In addition, Mr. Markowski, though not a member of the Delegation, signed the letters

exchanged with the Ministers of Trade and Commerce and National Revenue as authorized by an instrument of full powers which he had submitted to us before discussions actually commenced. He gave final approval for the Polish side to the drafts of the letters, the agreed memoranda and the press release† resulting from the discussions.

7. Three social functions were attended by representatives of both governments, a luncheon sponsored by this Department on May 10, a luncheon sponsored by the Polish Legation at the Chateau Laurier on May 13 and a buffet supper at the residence of the Polish Chargé d'Affaires for Canadian representatives and their wives on June 10. All of these functions were, generally speaking, informal, friendly and enjoyable.

8. The Polish representatives lost no time in contacting Canadian businessmen in regard to trading prospects. They left in a group for the Montreal district on May 14 when customs arrangements had been agreed upon but had not yet been formalized. Thereafter they visited Toronto and points in Southern Ontario, and spent some time at the Toronto Trade Fair where Mrs. Kalazowa, the representative of MINEX, occupied a booth displaying cut-glass and other wares exported by that agency. Some of the Polish representatives intended to travel to the West at least as far as Winnipeg, but on the whole their travelling was limited to Southern Ontario and Quebec where most of the interested Canadian traders were to be found. It was reported that they planned to travel home not as a group but individually or in small groups as their particular business was completed in this country. For instance, Piglowski, the representative of Cetebe (textiles) planned to leave alone and to return via the United Kingdom and France where he expected to do further business.

9. Mr. Dobrzanski called in shortly before he was scheduled to return home to express his admiration for this country, the people and the treatment they had received in Canada. He claimed to be genuinely sorry to be leaving.

10. On the whole, the discussions with Polish representatives went extremely smoothly. One reason was that Canadian representatives were working in a field which had already been thoroughly examined last year. In addition the Poles were well briefed on all aspects of importance in connection with their visit. We have not as yet been able to assess their success in conducting business with private Canadian traders though they themselves appeared to be satisfied. It is, of course, doubtful that trade between the two countries will increase substantially above pre-war levels as a result of these discussions due to the quality of Polish export products.

11. Under the arrangement with regard to customs valuation procedure, a Canadian customs official will visit Warsaw from Prague as the case demands. He will be posted to the Legation in Warsaw as an Attaché and will collect appropriate information for his Department. When the Department of National Revenue is satisfied with the information provided to this official through the cooperation of Polish authorities, the anti-dumping duties applied to certain imports from Poland will be removed. The Attaché in Warsaw will forward to his Department invoices for goods exported to Canada. Invoice values must conform generally to values of similar goods from other countries and low values will no doubt be adjusted by the Poles when these are brought to their attention in order to avoid the imposition of anti-dumping duties. If the arrangement works as well as that agreed upon with the Czechs, no great difficulty concerning customs valuation should arise. Specific instructions regarding the posting of the Customs official to the Legation in Warsaw as an attaché have been already sent to you. You will also have received the PITEL and other papers† concerning subsequent discussions on a wheat credit.

12. In addition to the informal minutes of the meetings I an enclosing various papers† which have been exchanged with the Polish Legation here concerning meat inspection

requirements affecting the trade in Polish hams, and copies of the letters and memoranda exchanged at the conclusion of the talks.

13. Also attached (to Warsaw only) is a copy of the brief† prepared by the Department of Trade and Commerce in preparation for the trade talks with the Poles.

A.E. RITCHIE
for Under-Secretary of State
for External Affairs

523.

DEA/9533-40

*Note du chef de la Direction économique
pour le sous-secrétaire d'État aux Affaires extérieures*

*Memorandum from Head, Economic Division,
to Under-Secretary of State for External Affairs*

CONFIDENTIAL

[Ottawa], November 30, 1955

POLISH PURCHASES OF WHEAT IN CANADA

As you will be aware arrangements were made some months ago under which Export Credits insurance *might* be made available by us to enable the Poles to import up to 250,000 tons of wheat from Canada. Shortly after that the Poles purchased their first 50,000 tons and insurance for 85 percent of the cost was issued by the Export Credits Insurance Corporation. Within the past few days a further 150,000 tons have been ordered by the Poles and insurance is again being provided for 85 percent of the cost (with the remaining 15 percent, interestingly enough, being made available to the Poles as an ordinary credit by one of the Canadian commercial traders without involving the Canadian Government).

2. The interesting thing about this second purchase — apart from the fact that it will enable us to sell some more wheat — is that the Poles could have secured more suitable wheat on more favourable terms from another country. They nevertheless have gone ahead and bought the wheat from Canada. It therefore appears that they have some special reason for favouring us with their wheat business. The people concerned in Trade and Commerce are quite puzzled — even though pleased — about this transaction. They apparently do not feel that the Poles think they can default on their payment obligations when they come due more readily in the case of Canada than of the other country which could have supplied the wheat more cheaply. They can only conclude that the Poles are extremely anxious to improve relations with Canada for their own political reasons.

A.E. RITCHIE

524.

DEA/10258-40

*La délégation à l'Assemblée générale des Nations Unies
au secrétaire d'État aux Affaires extérieures*
*Delegation to United Nations General Assembly
to Secretary of State for External Affairs*

TELEGRAM 439

New York, December 14, 1955

CONFIDENTIAL. IMMEDIATE.

INTERVIEW WITH POLISH VICE-MINISTER OF FOREIGN AFFAIRS

At his request I met with Naszkowski, Vice-Minister of Foreign Affairs of Poland, today. He said that Poland is very interested in normalizing relations with Canada and went on to enumerate several matters over which his government is concerned.

1. *Polish Art Treasures.* Naszkowski referred to promises which he alleged had been made by the Canadian government to facilitate a solution of this problem and emphasized his government's concern that an early solution be found. He mentioned that public opinion in Poland on this question continues to be greatly concerned.

2. *Commercial Relations.* Poland is prepared to purchase annually, commencing next year, 150,000 to 300,000 tons of wheat. They propose that purchase be on the same credit basis as was the sale transacted this year. Poland would also like to see Canada Post a permanent trade representative in Warsaw as has been done in Prague.

3. *Diplomatic Representation.* The Polish government is desirous and is prepared to install a Minister in Ottawa if Canada would do likewise in Warsaw.

4. *Cultural Relations.* Naszkowski thought cultural relations important to better understanding and referred to some exchanges which have taken place between Poland and Canada. He complained, however, that within recent weeks a Polish author Kubacański, who had intended to attend a cultural celebration in Canada, had been refused a visa by our mission in Warsaw. On the other hand, a Canadian author, Hébert (?), had attended a similar celebration in Poland recently.

5. I replied to Naszkowski in a general way saying that Canada is also interested in friendly relations with all countries. I promised him that I would transmit his representation to Ottawa and that I would see him again tomorrow if I had any further information. If any more definite reply can be given to him on any of these questions, would you please let us know tomorrow morning.

525.

DEA/10258-40

*Le secrétaire d'État aux Affaires extérieures
à la délégation à l'Assemblée générale des Nations Unies*
*Secretary of State for External Affairs
to Delegation to United Nations General Assembly*

TELEGRAM S-220

Ottawa, December 15, 1955

CONFIDENTIAL. MOST IMMEDIATE.

Reference: Your telegram 439 of December 14.

RELATIONS WITH POLAND

Would you please see Naszkowski and tell him that we have received his representations and are giving them detailed study. You can assure him that Canada would welcome better relations with Poland. The following roughly is the position with regard to the specific points raised by him.

2. *Polish Art Treasures.* We have been trying to find a partial solution which would give some satisfaction to the Polish government by devising a formula for the release of the treasures held by the Bank of Montreal. Would you therefore assure Mr. Naszkowski that we are seriously trying to give them some satisfaction and hope within a few months that a solution can be found to the problem of the trunks in the bank.

3. *Commercial Relations.* We are naturally interested in selling wheat to Poland as to other countries. The question of possible terms of sale is one which would have to be considered carefully. We would be pleased to discuss this matter further with the Polish authorities (presumably through the Legation in Ottawa).

4. We are not sure what the Vice Minister may have had in mind when he raised the question of a "Permanent Trade Representative". If he was thinking of the Attaché at our Mission in Prague who is concerned with customs matters, he no doubt realizes that this officer is responsible for dealing with similar matters in Poland as well. He happens to be located in Prague because the arrangement with Czechoslovakia preceded the arrangement made with Poland for dealing with customs valuation problems. We were assured by the Polish Delegation at the time that it would be quite agreeable to the Polish Government to have the officer in Prague function in this deal capacity.

5. If the Vice Minister was thinking of a regular commercial secretary, the fact of the matter is that there is no such officer permanently resident in Prague. Czechoslovakia is covered by the commercial secretary from our Embassy in Switzerland who visits Prague occasionally as necessary for discussions on trade matters. After explaining this to the Vice Minister you might indicate that the Department of Trade and Commerce here has under very active consideration the possibility of making a comparable arrangement for Poland whereby a trade officer at one of our missions in Europe would be accredited to Warsaw which he would be expected to visit from time to time to discuss trade questions that might arise.

6. *Diplomatic Representation.* Would you tell Naszkowski that we welcome his suggestion in principle, and that we would naturally be pleased to accept a Polish Minister in Ottawa, but that, for personnel reasons it would be difficult for us to reciprocate in the near future. We have expanded very rapidly and would find it next to impossible to send a Minister to Warsaw in the near future. This should not, however, be interpreted as a lack of interest in better relations, and you may point to the many friendly countries with which we have been unable to exchange ministers or ambassadors.

7. *Cultural Relations.* We also would like to see an improvement in cultural relations. Would you explain that the case of Kubacki, however, is, in our opinion, the type of cultural exchange which does not, repeat not, facilitate the aim of better relations. He was sponsored by a Communist front organization in Canada in order to give lectures under their sponsorship. I think Naszkowski will easily understand that this is something we do not intend to condone. We should be happy to discuss with the Polish Chargé d'Affaires here ways and means of improving cultural relations on a legitimate basis.

[J.] LÉGER

SECTION C
UNION SOVIÉTIQUE
SOVIET UNION

SUBDIVISION I/SUB-SECTION I
TENDANCES DE LA POLITIQUE ÉTRANGÈRE
FOREIGN POLICY TRENDS

526.

DEA/5198-40

*Note du sous-secrétaire d'État aux Affaires extérieures
pour le premier ministre*

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

CONFIDENTIAL

[Ottawa], February 14, 1955

RESIGNATION OF MALENKOV

I am attaching a copy of a memorandum concerning the resignation of Malenkov which was sent to Mr. Pearson on February 11. He thought that you would be interested in seeing this tentative assessment of the changes in the Soviet Government.

J. L[ÉGER]

[PIÈCE JOINTE/ENCLOSURE]

*Note du sous-secrétaire d'État aux Affaires extérieures
pour le secrétaire d'État aux Affaires extérieures*

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

CONFIDENTIAL

[Ottawa], February 10, 1955

RESIGNATION OF MALENKOV

Until about the middle of December none of the foreign missions in Moscow appear to have considered major changes in the Soviet Government to be very likely in the immediate future. There had been signs of disagreement both with respect to internal and external policy, but these signs had not provided really convincing evidence that Soviet leaders would be unable to carry on for some time yet without any major upset within their ranks.

2. In the field of foreign policy it was not until the end of November, when the Moscow Conference of the Soviet Union and satellite states was held, that the emphasis in Soviet statements began to change. This shift went definitely from suggestions of peaceful coexistence, European security pact and four-power or general European conference to threats of retaliation in case of German rearmament or to warnings that there could be no fruitful negotiation between the East and the West if the Paris agreements were ratified.

3. Early in November, at the celebration of the 37th Anniversary of the October Revolution, Malenkov had impressed the United Kingdom and United States Ambassadors with his apparent desire to avoid further tensions and to discuss major issues rationally with

Western representatives. On the question of a meeting between East and West after ratification of the Paris agreements, Malenkov's remarks were naturally ambiguous. He did not, however, answer with the blunt negative or with the harsh warnings which have since become characteristic of almost all Soviet utterances on the subject. By way of contrast, in December the French Ambassador was told by a group of Soviet leaders, including Malenkov, Molotov and Khrushchev, that ratification of the Paris agreements would end all chances of negotiation with the Soviet Union. Malenkov said his piece to this effect possibly at the suggestion of other members of the Government and of the Party.

4. Our Ambassador reported in December that "the notable effort which the Soviet Union has been making to impress its anxiety at the prospect of West German rearmament on the Soviet people, coupled with its apparent earnestness in threatening to increase its armament if ratification is achieved, what looks like the emergence of a new emphasis on heavy industry and Malenkov's reception of the Patriarch (of the Russian Orthodox Church) have together, I think, surprised most observers here. This surprise has not had any of the attributes of alarm..." At about the same time he pointed out that "there is no doubt a genuine fear in the minds of the Soviet Government at the prospect of German rearmament but several observers here have suggested that they may also wish to use the threat of it for internal purposes. If plans to increase consumer goods are not working out satisfactorily, the authorities may wish to have a good excuse for the tightening of labour discipline". When the Lenin celebrations, supposed to take place in January, were deferred several months, our Ambassador pointed out that, since the celebrations were normally the occasion for important pronouncements, this postponement might mean that there was "some sort of indecision or lack of final agreement among the collective leadership on the final course of their internal or external policy or both."

5. In terms of internal economic policy the two most important developments in the last few months were the considerably increased emphasis on the priority to be given heavy industry and the increasingly important role played by Khrushchev in a number of fields. The involved questions of economic policy and of relations between individuals in the Government going back several years are being considered in a separate memorandum.† I would like to note tentatively in this memorandum those considerations of foreign policy which might have helped to bring about the resignation of Malenkov and the implications of his resignation for future relations between the Soviet Union and the non-Communist powers.

6. The reaction to a harsher policy with respect to German rearmament in December probably can be explained by the fact that the more moderate approach of earlier months had not deterred the Western powers from seeking more energetically than ever a workable alternative to the EDC and had even led them to believe that the Soviets would make concessions on European problems after the ratification of the Paris agreements. This belief was attacked frequently in the Soviet press along with what Soviet commentators claimed was the intention of the Western powers to use the accretion of military strength resulting from German rearmament as a threat to force concessions from the Soviet Union. The argument used in Western countries that negotiations were impossible as long as there was a serious imbalance of power in Europe and as long as the problem of relations with the German Federal Republic was not solved was thus distorted to indicate that the West was building up a direct military threat to the Soviet Union. It is not easy to say whether this attitude to Western policies was developed as a justification of an intention to reverse the emphasis on consumer goods or as a reaction of fear to the imminent prospect of German rearmament. In any case, this situation appears to have played into the hands of the

group in the Soviet Government which had long had doubts about the "soft line" towards the West.

7. Although Malenkov had, on one occasion, referred to the destruction of all civilization, including the Soviet Union, as the result of atomic warfare, Marshal Bulganin and others had carefully reiterated the orthodox view that, while the capitalist nations would probably be finally destroyed by any conflict which they precipitated, the Soviet Union would not go down with them. On this question and on other questions affecting the relationship between the East and West one could detect important differences in the tone and implications of official statements. Khrushchev made several speeches last year which were arrogant and blustering and out of keeping with the tone of the peace offensive.

8. At best, of course, the so-called peaceful coexistence policies of the Soviet Government under Malenkov were more interesting because of what they implied about the possibility of serious negotiation in the future than because of any achievement. It is not expected that the resignation of Malenkov will create any immediate danger of provocative or belligerent policy with a real risk of war. It means rather that relations between East and West will be based simply on the stalemate which has not really been broken since Stalin's death, with no very strong prospects of the kind of settlement implied by peaceful coexistence.

9. The immediate implications for Soviet foreign policy of the resignation of Malenkov are difficult to comment upon until we have the full texts of the statements made by Molotov, Bulganin and others. This meeting of the Supreme Soviet was obviously intended to make clear to the world that any disagreement or instability in the ranks of the Government would no longer exist. Until we can examine the texts of the various statements made during these meetings and consider the implications of the budget brought down last week it will be impossible to give any settled opinion about these future policies.

10. On the Formosan issue Molotov made his suggestion for a conference in the Far East only a few days before the resignation of Malenkov and appeared to be closely interested in preventing any worsening of the situation. The statement by Bulganin yesterday pledging "full support" to Communist China on the Formosa issue and assuring the Chinese that they can count on help from their "true friend, the Soviet Union" may or may not indicate a change in what we have thought was a fairly strong Soviet desire not to become directly involved or to pledge military assistance in taking Formosa.

11. On the German problem the Soviet statement about offering free elections was made only three weeks ago. This statement has, apparently, been having a considerable effect on German opinion and it does not seem probable that the Soviet Government would drop any promising means of impeding ratification of the Paris agreements. It seems generally most likely that changes in the Government were being worked out in the past month or so and that recent moves with respect both to the Formosan and German problems do have the backing for the time being of Khrushchev and Bulganin. Although the change in the Government appears to mean in general a toughening line towards the West it does not necessarily follow that a number of the moves in foreign relations since the death of Stalin, such as the attempt to improve relations with Yugoslavia, will be abandoned. The peace offensive may be continued with effort being focussed chiefly on the neutral and Asiatic nations.

12. Although whatever Malenkov may have intended in the way of an agreement with the West was never made specific enough for Western nations to take up any offer while the Russians were in a more friendly mood, it would be unfortunate if any hardening in the

Soviet position were met immediately by warning statements from the West which would only, it seems, help to confirm the position of those who disagreed with Malenkov.

J. L[ÉGER]

527.

DEA/5198-40

*Note du secrétaire d'État aux Affaires extérieures
pour le premier ministre*

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

CONFIDENTIAL

[Ottawa], February 15, 1955

RESIGNATION OF MALENKOV

With reference to the memorandum on Malenkov's resignation sent to you yesterday, you may be interested in the attached memorandum carrying forward our consideration of the "foreign policy implications of changes in the Soviet Government".

L.B. PEARSON

[PIÈCE JOINTE/ENCLOSURE]

*Note du sous-secrétaire d'État aux Affaires extérieures
pour le secrétaire d'État aux Affaires extérieures³³*

*Memorandum from Under-Secretary of State for External Affairs
to Secretary of State for External Affairs³³*

CONFIDENTIAL

[Ottawa], February 15, 1955

FOREIGN POLICY IMPLICATIONS OF CHANGES IN SOVIET GOVERNMENT

An examination of the texts of some of the important statements made last week in Moscow during the meeting of the Supreme Soviet leaves one with rather mixed impressions of the future course of Soviet foreign policy. Apart from any question of interpreting general statements on East-West relations there are, of course, some obvious facts which are bound to cause anxiety in the Western countries.

2. The new defence budget is apparently the highest in real terms in the post-war period. Khrushchev, who now seems to have a greater power than any other individual in the governing group, is an orthodox Marxist revolutionary and consequently must believe that everything which does not bow to the revolution in the world will, eventually, by force or by guile, be destroyed by it. He may have his disarming moments, but we can hardly derive much hope from that fact. Stalin was jovial on occasion too. The Soviet reaction to German rearmament has become increasingly sharp over the past few months. Mr. Molotov has reaffirmed his Government's previously expressed intention of creating a unified command for the Soviet Union and satellites and of bolstering defences in that bloc of

³³ Sur une copie de ce mémoire trouvé dans le dossier MAE/2802-40, Pearson a rédigé la note marginale suivante :

A very useful & interesting analysis.

On a copy of this memorandum found on DEA/2802-40, Pearson wrote the following marginal note:

A very useful & interesting analysis.

nations. Marshal Bulganin has given Communist China what appears to be the strongest promise of support on the Formosan issue yet made.

3. These are the kind of facts which provide support for the argument that the changes in Government imply a good deal harsher line towards the West.

4. The actual statements made by Molotov, Bulganin and Zhukov do not, however, provide clear and definite support for any straightforward interpretation of recent events in the Soviet Union as they affect foreign policy. This situation may be explained by a general uncertainty in Soviet minds, or by the existence of a still delicate balance of power and an uneasy compromise on policy between Party, Army and other elements in the governing hierarchy, or perhaps by the failure of people in the West to find the correct frame of reference within which to place the various observable facts about Soviet attitudes.

5. Whatever the reason, it is important to note that Molotov's speech on foreign policy, those parts of Bulganin's speech dealing with the same object and remarks made by Zhukov to Western correspondents are not, on the whole, violent or bellicose in tone. They are only partially put in the ideological frame of reference and, in spite of ideological animosities, they retain the hints about negotiation, relaxation of tension and realistic acceptance of facts which we have become accustomed to find in Soviet statements for the past couple of years.

6. Mr. Molotov began his speech with a review of the strong position attained by the Soviet Union and Communist China in world affairs. "One cannot speak" he said "of the USSR and capitalist encirclement in the same sense as this was spoken about before the war." Almost half of Europe has turned to Communism and almost half of Asia. He seemed to be saying, in effect, to the Western nations — "you must accept history and not think of reversing it". Despite the confidence in their growing influence, Marshal Bulganin expressed the conviction that "in the capitalist countries there are sound forces that will find means to improve relations between countries in the interests of maintaining peace and the security of the peoples". He reiterated a desire for "easing of international tension and the establishment of normal relations with all the peoples".

7. In more than one section of his speech, Marshal Bulganin approaches the kind of language which we have associated more with Malenkov. "We stand for such negotiations and aim at such agreements with foreign countries as would lead to a relaxation of tension in international relations. It is self-evident that any negotiations can be successful only if the other side too strives to the same goal. We think that under modern conditions this is the only real road which would produce positive results."

8. The phrase "under modern conditions" would be more or less a *cliché* in the West where it is taken for granted that any policy has to be governed by "modern conditions" and that conditions change. Any reference to "modern conditions" is interesting in the completely different context of an authoritarian political faith in which basic facts of their changing conditions have been ignored.

9. Marshal Zhukov approached matters in a not very partisan Bolshevik spirit either. He told Kingsbury Smith and William Hearst "You are bound to justify your point of view. We are bound to justify ours. We must not simply look for justification of our respective viewpoints. We must try to make a new war impossible." He spoke of President Eisenhower in much the same way as the President had spoken of him and added "I know our relations will get better. Then I hope to be able to visit the United States." We must set against this Molotov's stubborn insistence on the inevitable results of German rearmament and on the "open propaganda and preparation for an atomic war" undertaken by the United States, the

logical implication of which would appear to be that he believes that relations are going to get much worse.

10. One might simply ignore such general statements and turn to what is said about the most pressing problems of German and Formosa. Even on Germany, however, we find a few hints that everything is not yet cut and dried in Soviet attitudes. Mr. Molotov says that "one must not underrate the negative, even dangerous, consequences of the Paris agreements in the event of their ratification and of their becoming effective". He goes on to point out that ratification "would become the principal obstacle in the way of a solution of the German problem". It would render impossible "for a long period" the reestablishment of German unification". This is apparently the first stage in the worsening of the German situation.

11. The next stage is revealed in his remarks that "After West Germany is remilitarized and after it has become a militarist state" reunification will be "impossible" presumably forever.

12. Mr. Molotov is, of course, quite sure that the German Federal Republic will become a militarist state once the Paris agreements are ratified but he could hardly generate much indignation about the Paris agreements if he did not keep repeating this conviction. In the meantime, there are two stages in Germany's decline. One cannot help wondering whether the Soviet Government has not got carefully concealed for the moment some offer which, even after the ratification of the Paris agreements, will represent "positively the last chance" for a bargain by which the Soviet Government, out of the goodness of its heart, and in spite of United States' desire for war, will rescue the German Federal Republic on the very brink of the abyss.

13. Marshal Bulganin blandly assured his audience that the Soviet Government will continue to "work to restore German unity on a peaceful and democratic basis", as if there were no abyss at all in immediate view.

14. On the Formosan issue Marshal Bulganin noted that the policy of the Communist Chinese Government "has called forth our complete approval and support" and that the Chinese people can reckon with the help of "their faithful friend the great Soviet people". This is an emphatic statement of support for Chinese policy — up to date — but it is still some degrees short of a blank cheque which Peiping can use as it wishes in deciding whether or not to risk conclusions with the United States Seventh Fleet.

15. Finally, the remarks of Marshal Zhukov to the newspapermen provide an interesting indication of the strange mixture of misconceptions and motives which may exist among the career generals and the administrators who have not mastered or accepted entirely the Communist explanations of world affairs. Zhukov said that it was nonsense to think that the Soviet Union ever had any aggressive intentions. "You know he said "how strong the Soviet army was and how weak Europe was, including England" after the last war. As for the United States, "You had too few bombs then to have had any bearing on the military situation". If the Russians did not strike then, surely that was proof that they did not intend to expand by conquest. The Marshal did not apparently stop to consider that it was this terrible disparity between East and West which forced the creation of NATO or that this concentration of Soviet might was under the control of a dictator whom Zhukov himself had little cause to like, or that this dictator had, according to Bulganin's statement to Turkish and Iranian Attachés last fall, made serious mistakes in foreign policy. Marshal Zhukov's points are remarkably weak as a criticism of Western fears of the Soviet Union but they are also credible as the sincere attitude of a man who cannot put himself in the

position of the other side but who does not adhere blindly to a Communist intransigence with which argument is impossible.

16. The purpose of this memorandum is that of pointing out the complex pressures affecting Soviet foreign policy. There are at least three possible kinds of relationship with the West and no one can say which direction Soviet policy will take.

17. There is the Stalinist type of revolutionary policy depending on increasing military strength, on heavy industry, on rising production and on shock tactics in foreign relations all in the service of world revolution. There is the Malenkov type of more sophisticated Communist turning to an emphasis on private pleasures, a post-revolutionary relaxation and reasonably correct dealings with foreign powers. There is, perhaps, an Army alternative combining heavy industry, austerity and defence expansion as a warning to the West not to proceed from a new "position of strength" to any adventures in liberation, but, at the same time, offering a realistic settlement with the West, outside of ideological considerations, involving something like "mutual self containment" to avoid the horrors of thermo-nuclear warfare. The Army career men, and others too, may have as their goal an authoritarian, conservative state, orthodox in its Communism internally but not expanding beyond present limits of control or influence, which would still leave it among the two or three "Great Powers" of the world in one of the greatest periods of Russian history.

18. The Malenkov approach was apparently, from our standpoint, too "revolutionary" in its implications for present day Soviet society and it has lost out so far as domestic policies are concerned. What will happen so far as foreign policy is concerned is extremely difficult to say. The only immediate conclusion we can draw for the purposes of Western policy is that if we treat Soviet gestures or redraft our own policies on the assumption that the worst has happened, we may simply help to drive the Russians into the hands of those who speak of "inevitable conflict".

J. L[ÉGER]

528.

DEA/50128-40

*Note du sous-secrétaire d'État aux Affaires extérieures
pour le secrétaire d'État aux Affaires extérieures*

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

SECRET

[Ottawa], May 30, 1955

SOVIET POLICY IN EUROPE

I attach a paper on this subject which attempts to draw together the main lines of recent developments in Soviet policy in Europe.³⁴ Its aim is to provide an over-all view, of what is clearly still a very fluid situation. I hope to send you later more detailed memoranda on various aspects of this question, such as the idea of a band of neutral states in Europe,† the Warsaw Pact,³⁵ a plan for Germany,³⁶ European security proposals,† the situation of Yugoslavia,† etc.

J. L[ÉGER]

³⁴ Note marginale :/Marginal note:

This is a very good memo L.B. P[earson]

³⁵ Voir/See Document 545.

³⁶ Non retrouvé./Not located.

[PIÈCE JOINTE/ENCLOSURE]

Note du chef de la Direction européenne
Memorandum by Head, European Division

SECRET

[Ottawa], May 30, 1955

SOVIET POLICY IN EUROPE

Introduction

In recent weeks the Soviet leaders have indicated by their deeds and their words that many important changes in their foreign policy are taking place. Among these are the sudden reversal on Austria and the signing of a State Treaty which is relatively favourable to the Austrians; the acceptance in principle of a top-level conference of the Big Four; the attempt to heal the breach with Yugoslavia both by sending Khrushchev and Bulganin to Belgrade and by the public admission that there is a place in Marxist ideology for the Yugoslav type of socialism; indications of an increasing desire to co-operate normally with the West (participation in the Canadian Trade and Air Shows); the acceptance of many of the Western proposals on disarmament; and signs of wishing to reduce tension in the Far East. Against this must be placed the signing of the Warsaw Pact and the "little" blockade against Berlin.

2. Each of these steps cost the Russians a good deal. On Austria they are giving up important economic interests, withdrawing their troops and, most important of all, they are playing one of their biggest trumps in Europe. They are also having to accept the possible consequences for their prestige in the satellites of a Soviet retreat. As for the Soviet "Canossa" on Yugoslavia, the consequences of public admission of error could be very great in the satellites, but more important in Soviet eyes is the enormous ideological, political and psychological re-adjustment it must have demanded of the Soviet leaders. Finally, as regards Four Power talks, the acceptance of the principle means in fact a reversal of their publicly proclaimed policy that negotiations would become almost impossible if the Paris Agreements were ratified.

Motivation

3. It has been in the power of the Soviet leaders for many years to make any or all of these moves, but it is only now that they have done so. It is important, therefore, to try to estimate the motives which led the Russians finally to decide on abandoning their previous policies — that is of out-right hostility to non-communist governments, of holding firm to what they had gained after the war, and appealing over the heads of governments to their peoples. The Russians are now acting in the fashion we have always hoped they would. They have decided it was necessary to negotiate with other governments, and, furthermore, that compromises and concessions are required in diplomacy.

4. There appear to be four main factors influencing the Soviet decision. First, there is the situation inside the U.S.S.R. The Russians themselves make no bones about the serious state of their agriculture, and they are making frantic efforts to bolster up their food production. But the methods they are using are bound to have an unsettling effect on the economy; if they succeed, and many Soviet leaders must have their doubts on this score, it will be many years before they could consider it in a satisfactory state. The consumers' goods programme has had to be scrapped, and Stalinist methods of trying to increase production have been revived. This must leave a certain apathy if not resentment among the people, and doubts among the technicians and intelligentsia of the advisability of these

methods. There seems little doubt, however, that the economy cannot indefinitely meet the needs of heavy industry, re-armament caused by the situation in Europe and the Far East, atomic energy development, consumers' goods, and Chinese industrialisation.

5. Added to this is the still unsettled problem of the leadership. Khrushchev has not yet by any means established himself as the undisputed master. It may be possible for some time for the country to continue with a collective leadership, but it must tend to create both uneasiness among the hierarchy and a trend towards moderation in order to avoid serious crises. Mr. Bohlen has reported that he has sensed this feeling of uncertainty among the leaders. Nevertheless they have been able to come to important decisions on foreign policy. The reason is possibly that they were able to agree on the need for a relaxation of international tension precisely because of economic and political pressures inside the country.

6. This leads directly to the second factor — Sino-Soviet relations. The Yugoslav experience has taught the Russians how difficult it is to control even a people close to them in race, ideology and temperament, and the last five years must have increasingly shown that China cannot be easily controlled from Moscow. The three Western foreign Ministers at Vienna apparently decided that the Russians were apprehensive both on economic and political grounds about the progress of the Chinese Communist revolution. To assist it economically by providing even the basic supplies for its conversion from a primitive economy, let alone to supply the help required to turn it into a powerful industrial state, as the Chinese must want, would seriously weaken the Soviet economy. This would mean the indefinite postponement of the desire of the Soviet people for a better material standard of living. It might also turn over to the Chinese the leadership of the communist world. And in the short run there is the danger of stumbling into war as a result of Chinese rashness.

7. The third factor is certainly the re-emergence of Germany. I think the Russians may well have made a new assessment of the German problem after they had disposed of Malenkov and after it became clear that the Paris Agreements would be ratified. They may have come up with the same kind of estimate as ourselves, i.e. that what mattered more than the twelve German divisions was the alliance of a newly prosperous, industrious, vital and energetic nation with its tremendous supply of scientists and technical know-how, to the West. The Russians may have therefore decided that the time had come when some serious steps had to be taken in order to prevent the spectre of a revived threat from Germany united with the most powerful nations of the West.

8. Finally there is the factor of the hydrogen bomb. The Western Ambassadors in Moscow have reported that they think that a genuine and deep fear of the H-bomb is the most important of the motives inspiring a change in Soviet tactics. They felt that the Soviet Government had come to the conclusion that while they could stand atomic bombing longer than European countries could, they were all equally vulnerable to the annihilative effect of the hydrogen bomb. The step which may have crystallized their decision could well have been the adoption of MC-48 by the NATO Council.³⁷ The Russians must have realized that if the NATO powers were determined to use nuclear weapons from the beginning of any war, then it would be practically impossible to prevent the use of the big bombs. The Russians may also have been influenced by their own long-range bomber build-up and the realization that advanced air bases were no longer absolutely essential to their defence or striking power.

³⁷ Voir/See Volume 20, Document 379.

Other Factors — Timing

9. Apart from these basic motivations, there are a number of other considerations leading to the change in Soviet tactics. The first is the growth of neutralist sentiment in the United Kingdom and Germany. The strength of the feeling in favour of an attempt to relax tension has apparently been growing in Britain, on both sides of the political fence, and, of course, it has never been far below the surface in France and Italy. Combined with this was a definite upsurge of interest in West Germany in the last few months in the question of re-unification, and an accompanying distrust of re-armament. Even in the United States the Russians might have been able to sense, underneath the official statements, a growing impatience with the idea of war, and the Zhukov-Eisenhower correspondence, about which we still know nothing, may have helped to convince the Russians that overtures would not now be coldly rejected.

10. There remains the situation in the satellites. Our information is meagre but what there is points to continued economic and political troubles, with little sign that, even ten years after, the Soviet régimes are any more popular than they were. Dr. Adenauer has told Sir Anthony Eden that 90% of the population in Poland and 95% in East Germany were still hostile. The necessity of adding to their armaments cannot have therefore been very agreeable to the Russians. In particular the raising and arming of a large conscript army in East Germany, where they can have little confidence that it would not be turned against them, must have been a discouraging prospect. These factors might therefore have also helped to fashion the Soviet decision.

11. Mr. Stewart Alsop has criticized the theory that the Russians have been forced to adopt new diplomatic tactics by the strength of the West, and up to a point he is probably right. Militarily the Russians are certainly as strong in relation to the West as they were a year ago, possibly stronger with advances in H-bomb production and long-range bombers. But they are weaker politically and if they have decided the contest *must* go on on the political-economic plane, then their moves make good sense. They are ceding terrain which may be no longer essential in the light of new weapons and military strategy, in order to regroup for a peaceful contest for the allegiance of Europe.

12. As for the question of timing, one can only guess. It would have been logical to launch this offensive before the ratification of the Paris Agreements, but the Russians are usually late in their moves. Also internal political dissension may have made it impossible to reach a final decision before the (at least temporary) disposal of the problem of Malenkov. However, once the decision was taken, it is remarkable the speed and despatch with which it has been executed up to now. Presumably the next stages have also been thought out in advance.

Soviet Aims

13. One can always repeat that ultimate Soviet aims remain unchanged, but I, for one, think these aims have always been limited in fact to practical realities, and in this connection believe my paper of last November re-assessing Soviet policy is still valid.³⁸ It is probably more useful to see if immediate, practical Soviet aims in Europe have altered, and in this context it is reasonably safe to say that they have not. But their tactics in pursuing these aims are changing.

14. Their major aim is undoubtedly to secure the withdrawal of United States forces from Europe, the abandonment of United States bases too close to Soviet territory for comfort, or at least their transfer to European control, and the detachment, even at this late date, of

³⁸ Voir/See Volume 20, Document 692.

Germany from NATO. The purpose of these aims is not necessarily to set the stage for Soviet military conquest but to reduce the pressure on the USSR by the Western military alliance, to obviate the direct threat of atomic bombing from the advanced bases, and to make it easier to advance Soviet political aims in Europe on the economic, political and social level, that is either to expand the area of communism slowly and peacefully, or at least to assist in creating régimes in Europe more friendly to the USSR. The withdrawal of US troops from Europe would also mean the slackening of the tempo of economic assistance to Western Europe, which would be an important additional aim of the USSR.

15. The Russians presumably are realistic enough to realize that considerable diplomatic skill, and real concessions will be required to accomplish these aims. But a secondary, though certainly important goal, is clearly to reduce the danger of a clash in Europe, and to diminish the feeling of urgency in the West, as the basis on which NATO has been built up. This would be the first step in the long process of creating the right atmosphere for taking on more substantial and difficult problems.

16. To lessen tension they can, and are, making the kind of re-assuring moves which they must have known for years were required to allay some of the West's fears. But in the long run, if they are to keep this up, they will need to follow on from the Austrian Treaty. Even last year this in itself would have been enough to quieten our suspicions. Today it only whets our appetite for greater concessions and more substantial settlements.

17. This means, in fact, an attempt at settling the German problem. I shall examine it, and the related questions of a band of neutral states and European security in subsequent memos. In this one I shall simply treat it in general lines in order to try to establish an over-all picture of Soviet policy.

18. A divided Germany suited Soviet ends for some time, but only so long as the Western portion did not become substantially stronger and more influential than the Eastern Zone. With that happening the balance, not only in Germany, but also in Europe, begins to turn against Russia. It is therefore likely that the Russians will wish to detach Western Germany from NATO, and prevent its re-armament and revival as a European power. Failing to do that by Germany's division, they may now decide that unity must be the bait, and a price paid for it.

19. The Russians know the limitations on their freedom of action in this question, and presumably those on the Western Powers as well. They are also unlikely to wish to move very precipitately towards a solution of this problem which must have many pitfalls for them. A retreat from Eastern Germany carries great implications for the other satellites, and the gamble of German neutrality must appear to have many disadvantages.

20. The propaganda advantages of apparently imaginative proposals by the Russians could have far-reaching effects. It seems to me that what we are likely to see develop in the next few months is a cautious approach to negotiations through high level Four-Power talks, which could continue for a long time at the Foreign Minister level while the Russians attempt to probe their adversary and try to get some idea where, and how far, they can hope to reach agreement.

21. In the meantime they would try to develop direct relations with Bonn, and to secure recognition by the Federal Republic of the East German régime. This is what they are clearly after in the dispute over road tolls in Berlin. If they succeeded in this they would then be in a position to negotiate not only with the Western Powers but directly with the Germans. They may well wish to let the German situation simmer for some time, waiting for Adenauer and his government to weaken and popular demand for re-unification to increase before actually taking the concrete steps necessary to reach a settlement. The

increase in diplomatic flexibility offered to the Russians by the ability to deal directly with both the Germans and the Western Powers is obvious.

22. There are certain limitations, however, on the Russians' timetable. At the present moment the Germans are "free" but unarmed. In a few years' time, unless something happens, they will be not only armed but a real independent political force. I would think that the ideal time for the Russians to make their big move on Germany would be in about a year. But then, the force of feeling in Germany in favour of re-unification would force Mr. Adenauer to talk, and yet Germany would not yet be in a position to bargain seriously with the Russians. But in spite of this there remains the inescapable fact that the Russians have played their big card in Austria and have made a very great retreat over Yugoslavia. Neither move would have been made except with bigger game in view, and therefore we cannot dismiss the possibility of a really big offer over Germany in the near future. But this we can only know for certain after the Big Four meeting.

23. There are many signs that the Russians do now see the advantages of a neutral band of states. The first advantage is simply that it keeps these countries from direct domination by the West. Previously the Russians had refused to believe this, as witness their attitude towards Sweden. But their diplomatic activity in Austria, Sweden and Yugoslavia indicates that they are now beginning to see that who is not with them is not necessarily against them. In this connection we may well see an attempt, by a combination of threats and inducements, to entice Italy into a more neutral position.

24. If Germany could be genuinely neutralized, I think the Russians might now make the sacrifices necessary to achieve this, and, as I shall point out in a later study, the idea may have many attractions for the Russians. I doubt, however, that they seriously believe that an imposed neutral solution is now possible for Germany itself. But the idea has great usefulness for Soviet propaganda not only in Germany but also in the peripheral states. To extend it, however, to the satellites as well is another question and I see no proof up to now that the Russians have any intention of loosening their grip on Eastern Europe. The *Pravda* article of May 22, and the reply to the Western notes, is a clear warning that Four-Power talks cannot include this subject. But we also had no sign that the Russians were planning to leave Austria, and in the present fluid situation even this cannot be entirely dismissed.

25. In any case the Russians have taken pains to point out the connection they see between the German question, disarmament, the Far East, trade relations, cultural relations, and foreign bases. A general relaxation of tension is what they seem to have in mind, the setting of an ambiance in which later specific problems might be tackled, but always with an eye on their inter-connection. They have produced their first draft of a general settlement in the Malik proposals, but these are probably just the bare outline of what they want. We can, I think, expect the Russians to follow them up with more diplomatic activity on these lines.

26. In the meantime they have completed their own "anti-NATO" by signing the Warsaw Pact and the Eastern Unified Command agreement. But the military participation of East Germany has not been decided, and the Pact is to be abandoned in the event of a system of collective security being set up in Europe. Thus the Warsaw agreements seem to have the aim primarily of being a formal counter to NATO which can be used later for bargaining purposes. I am examining the Warsaw Pact in greater detail in a separate memorandum.

Conclusion

27. Mr. Kennan developed the theory in 1947, as part of the containment policy, that there were continuing pressures of various kinds on the USSR.³⁹ These can be divided generally into two categories: internal pressures and external pressures. It is only when the two pressures coincide that there is any chance for the West of making any real progress in negotiation with the USSR. That time seems now to have come, and it is imperative that the West do two things: keep up the pressure (in a peaceful and political but nevertheless firm fashion), and provide the opportunities for the Russians to reach agreement.

28. That agreement can only be very limited, and that a large measure of "cold" war is bound to continue, are practically axiomatic because of the nature of the Soviet state, and the Communist Parties. So long as the international Parties remain large, and important forces in the life of Western countries, the USSR is going to employ them to further its own foreign policy aims, and this is the first and basic limitation. The second is that the threat from the West is essential to the whole Soviet system. It can only continue to justify its dictatorship, its huge police system and arbitrary methods, its standing army, and further sacrifices on the part of the people if some strong threat to the régime exists. Since they claim the internal threat has disappeared, this has to come from the West. I doubt, therefore, if the Russians can go all the way towards lessening tension, though, of course, they may be able to operate a double policy, of actually solving serious problems with the West, while continuing in domestic propaganda to paint a different picture.

29. We will, of course, have to be ready, first to meet the Russians half-way if they seriously wish to solve our differences, and secondly, to counter any proposals they might make even if they appear to us as essentially insincere. For this purpose I shall be incorporating some ideas in the later memoranda which I have mentioned above. Up to now, however, I do not think any advances in negotiations with the Russians since 1945 have really resulted from a positive Western proposal. It is essential for us to make these proposals since they create the right atmosphere and often keep intact the line of communication with the Russians. But, as in the case of Austria, actual progress can only be made in the long run when the Russians have made up their minds a step forward is necessary. This leaves the initiatives to a certain extent in Soviet hands, but it is something we need not necessarily deplore.

30. The important point is that there is now a chance, which hardly existed before, of solving some of the main European problems. If, in so doing, we create others, that cannot be helped. It was hardly likely that the European situation would remain indefinitely fixed, or that two opposing armies could sit for another decade or two glaring at each other across the middle of Europe. Perhaps a period of relaxation may give the Russians the opportunity they need to improve their internal situation and then recommence the strongest pressure on us. But this is a gamble which cannot be avoided and one which we have just as good a chance as the Russians of winning.

R.A.D. FORD

³⁹ Voir/See 'X', "The Sources of Soviet Conduct", *Foreign Affairs*, Volume 25, No. 4, July 1947, pp. 566-582.

529.

DEA/50354-40

*Note du sous-secrétaire d'État aux Affaires extérieures
pour le premier ministre*

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

SECRET

[Ottawa], September 29, 1955

GERMAN-SOVIET AGREEMENT

The German-Soviet meetings in Moscow, after five days of hard and occasionally acrimonious bargaining, led to an agreement which may prove reasonably satisfactory to Germany and the Western Allies as well as to the Soviet Union.

2. The principal result of the talks was an exchange of letters calling for the establishment of diplomatic relations and an exchange of ambassadors, subject to the approval of the Presidium of the Supreme Soviet, and of the Federal Republic's Cabinet and Bundestag, which is now reported by the press as having been given. In a supplementary letter to Premier Bulganin, Chancellor Adenauer noted that the establishment of diplomatic relations did not constitute recognition of the present territorial situation (since final determination of German borders would depend on a peace treaty) nor did it constitute a change in the Federal Republic's claim to represent all the German people. Chancellor Adenauer's contentions were, of course, vigorously refuted by the Soviet Union, which emphasized its support of the East German régime by inviting its Premier, Otto Grotewohl, to Moscow as soon as Chancellor Adenauer had left and subsequently by signing a treaty establishing its sovereignty. Arrangements for an increase in trade — another matter to which the Soviet Union had given top priority — were left for future discussion.

3. As evidence of the importance which Chancellor Adenauer attaches to his formal reservations to the agreement, he has evidently instructed German Ambassadors in friendly capitals to seek confirmation that Western Governments agreed with the decision to establish German-Soviet diplomatic relations and with the German view that this would not alter the legal authority of the Federal Government to represent the whole German people in international affairs. I told Dr. Dankwort, when he came to see me last week, that the Canadian Government stood by the declaration which was part of the London and Paris Agreements to the effect that we consider "the Government of the Federal Republic as the only German Government freely and legitimately constituted". This seemed to satisfy him.

4. As his part of the bargain for agreeing to an exchange of ambassadors, Chancellor Adenauer received Premier Bulganin's "word of honour" that the 9,626 German "war criminals" which the Soviet Union admits to holding would very shortly be released, subject in some cases to retrial in German courts, and that consideration would be given to the freeing of German civilians detained in the Soviet Union if their names were submitted to Soviet authorities. (The Germans claim about 120,000 civilians are held in the USSR.) The terms of the release of the prisoners were not included in the final joint communiqué and were not too clearly stated in press conferences given in Moscow and Bonn by Chancellor Adenauer. Apparently the Soviet Union abandoned its early insistence that the prisoners could be released only as the result of a collective approach by both the Federal Republic and the German Democratic Republic. Instead, to the Chancellor's chagrin, the position of the German Democratic Republic has been saved by the Soviet publication of a letter from Voroshilov to Pieck of August 31 which indicated that the Soviet Government was considering the release of the prisoners as requested by the East Germans and has not, therefore,

made the release as a special concession to Chancellor Adenauer. The Russians had, in other words, "sold the same horse twice".

5. In a somewhat ambiguous statement during the negotiations, Premier Bulganin referred to more than 100,000 Soviet citizens living in the Federal Republic, many of whom he claimed were being prevented from returning to the Soviet Union, and said he hoped that "the Government of the German Federal Republic will take the necessary measures and afford its cooperation for the return home of displaced Soviet citizens". Whether the Premier intended to make cooperation by the Federal Republic in returning to the Soviet Union these former Soviet citizens a condition for the return of German prisoners remains uncertain, but his implied acceptance of the principle of "voluntary repatriation" is interesting. At any rate, Soviet "war criminals" in German hands are also to be repatriated.

6. There has been a good deal of criticism of Chancellor Adenauer both in Germany and elsewhere for "giving in" to the Soviet Union, though the United Kingdom Foreign Office has indicated its approval of his performance and the United States State Department has said officially that it regards the agreement as a triumph of diplomacy. According to the critics, both German and foreign, Chancellor Adenauer's agreement to exchange ambassadors has led to a hardening of the division of Germany, since he chose to enter into diplomatic relations with the Soviet Union at a time when it continued to recognize the East German government. Non-German observers have gone further to suggest that the Federal Republic will now find itself under almost irresistible Soviet pressure to consult more frequently with representatives of the German Democratic Republic. Topics which were formerly discussed by the Four Powers, including reunification, may now be discussed directly between the Federal Republic and the Soviet Union. The Soviet Union may accordingly be inclined to attach less weight to Four Power talks and instead to offer attractive terms on reunification directly to the Federal Republic, or indirectly through the East Germans, in order to draw Germany out of NATO.

7. These criticisms seem to us not so much unjustified as beside the point. The agreements will not necessarily weaken German association with the West nor compromise the Western stand on how reunification should be brought about. The Soviet Union will now recognize the creation of the Three Powers which it had vigorously opposed for the past six years. It has honoured the man whom its propaganda had castigated for leading the Federal Republic into NATO. Its action, combined with the release of the German prisoners, could hardly help but be beneficial to Chancellor Adenauer's position in Germany and hence to Germany's Western Allies. The Soviet Union's attempts since Adenauer's departure from Moscow to qualify its support for him by ascribing the release of prisoners to East German intervention and by indicating that it still accepts the Oder-Neisse line as the German border to the East have probably helped Adenauer more than they have hurt him by demonstrating to the German people the continuing intransigence of the Soviet approach to German problems.

8. The joint communiqué referred to the establishment of diplomatic relations as helping "the solution of the principal national problem of the German people — the re-establishment of the unity of the German democratic state". In fact reunification appears hardly to have been discussed. Chancellor Adenauer in his opening remarks simply asked the Soviet Union to devote all its energy to a rapid solution of the problem of German unity in collaboration with the United Kingdom, the United States and France and did not attempt to suggest that reunification should be dealt with by direct Soviet-German negotiations. The establishment of diplomatic links between the Federal Republic and the Soviet Union can hardly create any additional problems for the Western Big Three before the Geneva Conference begins on October 27.

9. In the long run, if the USSR continues to block reunification by demanding that the two Germanies must negotiate, the Chancellor may live to regret the agreement he has made in Moscow, not so much because of the unfavourable reactions which it has received in some Western countries as for its impact on his own domestic and political situation. For the unpalatable fact is that the Chancellor has been justifying his foreign policies, and in particular his policies towards the USSR, on the grounds that they would help to create the conditions necessary for agreement on reunification. By bringing home some prisoners, he has temporarily silenced his critics. However, not only the Social Democrats, but some members of his own coalition are already more than doubtful about his Western ties as a long term policy because they seem to rule out reunification, instead, as the Chancellor had led public opinion to expect, facilitating it.

10. Once the diplomatic missions have been established, the Soviet Union will obviously have increased opportunities to consult directly with the Federal Republic about reunification and other problems which have formerly been the preserve of the Four Powers. Molotov, for instance, has already asked the Federal Republic to stop propaganda ballots being sent eastward from its territory. The Soviet Union may also, once a Federal Republic representative is in Moscow, attempt to induce the Federal Republic to consult with representatives of the German Democratic Republic, without necessarily extending formal recognition, on trade and reunification. If the West Germans were seriously interested in negotiating directly with the Soviet Union about reunification or any other problem, however, the fact that they had not exchanged diplomatic missions would make as little difference as it did when the Rapallo Pact was concluded.⁴⁰

11. The danger of the Federal Republic deserting its Western Allies as the result of Soviet overtures still appears to be negligible at least so long as Adenauer remains Chancellor. The pressure for reunification is strong; but not overwhelming. And since July the USSR has said much less about neutrality for Germany and has been demanding nothing less than NATO's dissolution. Perhaps the principal result of the German-Soviet agreement may be that the Western Powers will be under even more pressure than they have been up to now to demonstrate their genuine interest in German reunification and to explain convincingly the compelling security reasons behind Western rejection of reunification on any terms which the Soviet Union has so far shown itself willing to accept. One measure of Western sincerity will be how far they are prepared to go to meet Soviet fears in a European security system.

12. Press and semi-official reactions to the visit in Western countries have run the gamut, some hailing Adenauer's great "victory" and others calling it a "catastrophe". From beginning to end there has been an unfortunate lack of balance, commencing with the Chancellor's own reactions which ranged from elation when the invitation was received to wishing, after the Geneva Conference, that he had never been invited. The very mixed reactions of German and other Western officials is the more surprising because the visit yielded almost exactly the expected result. Indeed if the Federal Republic were to play the role in Europe and the world to which it now naturally aspires the establishment of direct ties with Moscow was inevitable and probably the sooner it was accomplished the better. Certainly the Chancellor maintained his reputation as a tough bargainer; the negotiations produced some very interesting and frank exchanges between the two sides (see Hayter's

⁴⁰ Aux termes de ce traité de 1922, l'Allemagne et l'Union soviétique se reconnaissent mutuellement et échangent le statut de la nation la plus favorisée.

Under the terms of this 1922 treaty, Germany and the Soviet Union recognized one another and exchanged MFN status.

telegram of September 11 to the Foreign Office, copy attached). Yet Mr. Bohlen was so horrified at Premier Bulganin's offer to exchange prisoners for recognition that he told Mr. von Brentano it was "appeasement" and foresaw Germany's departure from NATO as the next step. This can have made no better impression on the Chancellor than the subsequent discovery that before promising him the return of German prisoners, the Russians had already made similar promises to the East Germans.

13. In our opinion the German-Soviet agreement has received both too much praise and too much blame. As in the case of the Austrian Treaty, the United States has once again appeared to be accepting in very bad grace agreements with the USSR which should have been welcomed in measured terms as progress towards a more normal world made possible by Western policies.

14. With the formal recognition of East German sovereignty to balance the establishment of diplomatic relations with the Federal Republic, the Soviet leaders have confirmed their post Geneva promises to the East Germans that their régime would not be sold down the river. The Russians have now put themselves in a stronger and tougher bargaining position. They can now repeat with greater emphasis their insistence that the East and West Germans themselves must negotiate on German problems — though the Russians will still presumably agree to negotiate with the Western Powers on subjects such as reunification which are specifically reserved in the Potsdam Agreement for the Four Powers. Already the East German leaders have served notice that they may use their newly acquired control of West German traffic to Berlin in order to put pressure on the Federal Government.

15. Here again is further evidence that the fruit of the Geneva Conference — at least on the most important issues — is a consolidation of the *status quo* in Europe. Perhaps the only contrary evidence from the Chancellor's Moscow talks was Premier Bulganin's remark that they were "looking for a new system of security", about which they would be submitting proposals at Geneva.

16. Since these comments were prepared, the NATO Council has discussed Herr Blankenhorn's report on the Chancellor's Mission to Moscow. Mr. Wilgress' account† of this interesting review is attached, as is also the text of the German Soviet Agreement.

J. L[ÉGER]

530.

DEA/50128-40

*Note du secrétaire d'État aux Affaires extérieures
pour le premier ministre*

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

Ottawa, September 29, 1955

The attached memorandum on Post-Genève relationships with the Soviet Union indicates the line I think that we should follow in discussions of this all-important subject with our friends in Washington and London and Paris. The second memorandum attached which

we received some time ago from Washington, indicates that the American approach to the problem is not exactly the same as our own.⁴¹

I thought you might like to have a look at these documents.

L.B. PEARSON

[PIÈCE JOINTE/ENCLOSURE]

Note du secrétaire d'État aux Affaires extérieures
Memorandum by Secretary of State for External Affairs

SECRET

CANADIAN POLICY IN THE LIGHT OF SOVIET TACTICAL CHANGES
SINCE GENEVA

This paper examines advantages and disadvantages for the West in the present post-Geneva situation and suggests in what way we can exploit the changes that have taken place to our advantage.

2. For this purpose it is assumed that for a number of reasons the Russians have decided to alter, at least for the time being, their foreign policy tactics. Since one of the reasons is probably to give them a breathing-spell in order to correct some economic, political and social difficulties inside the U.S.S.R., the new trend may continue for 4 or 5 years; though, of course, developments may alter it quickly.

3. Once the Western powers were fully alerted after the war to the expansionist policies of the U.S.S.R., and the dangers this represented to the West, they gradually came to adopt a policy which aimed at preventing any further spread of Soviet power. It was essentially a defensive policy, both because there were no aggressive intentions on our side and because of the relative military weakness of the West at that time.

4. A second stage has now been reached and accepted pretty explicitly by each side — that of an approximate stalemate in power, based on a fairly clear estimate of the nuclear and military strength of the protagonists, and a reciprocal realisation of the horrors of atomic warfare. This ought to be accepted, therefore, by the West as an advance. We have progressed from a purely defensive position to one in which both sides are pretty evenly balanced, as far as all the factors for making war are concerned i.e., conventional armed forces, atomic weapons, strategic situation, economic strength, etc. In order that this position be not confused with, and casually dismissed as, a facile acceptance of the *status quo*, it is necessary to consider whether, for the last two years, we had not already in fact reached a position in Europe in which we realized that no advance was possible except at the cost of atomic war, and that no conceivable gain was worth the mutual destruction this would create.

5. Having reached a kind of tacit understanding with the Russians that our differences would not be settled by war-like means, we have at least created the conditions for an advance by either side — by peaceful means.

⁴¹ Le mémorandum américain est réimprimé dans United States, Department of State, *Foreign Relations of the United States (FRUS), 1955-1957*, Volume V, Washington D.C.: United States Government Printing Office, 1988, pp. 551-554.

The American memorandum is reprinted in United States, Department of State, *Foreign Relations of the United States (FRUS), 1955-1957*, Volume V, Washington D.C.: United States Government Printing Office, 1988, pp. 551-554.

6. It is likely that the Russians are now prepared to accept the present division of the world for some years, or at least to refrain from attempting to change it by any action which might conceivably lead to general war, though naturally they will try to improve by other means their position at home and abroad. The reasons are obvious. In the first place the relative superiority of the West in nearly all spheres is going to decline over the next two decades, provided the graphs of increase in the Soviet bloc (U.S.S.R. and satellites) and the NATO countries continue as in the first post-war decade. In terms of population and industry the percentage superiority of the West may be illustrated as follows:

	<u>1955</u>	<u>1965</u>	<u>1975</u>
Population	1.4	1.37	1.33
Industry	3	2.33	1.75

The inclusion of China would radically alter the population but not the industrial figure.

7. In the second place the Russians would no doubt hope during this period of prolonged *détente* to secure substantial reductions in Western armaments, and a general "softening-up" of the West. Economic dislocations and political instability, unemployment and unrest would, in the Marxist view, result, and lead to a general decline in public morale which would in turn facilitate the activities of domestic Communist parties and Soviet subversive activities. At the same time Soviet disarmament would add much needed labour to the farms and industry. (Recent figures show that the number of able-bodied males now coming forward in Russia are declining by about 100,000 per annum. This is a direct result of the decline in the birth-rate during the purge years —36-38; and is likely to continue for another decade).

8. It is not suggested that this softening-up would necessarily be preparatory to the launching of a military attack after the U.S.S.R. had corrected its present difficulties at home, and after its strength was closer to that of the West, but rather that, in Marxist terms, such a development would prevent the capitalist powers from attempting to destroy the citadel of communism, and also create the conditions for the gradual advance of communism by other means.

9. It also means, however, that this new position, based at least in part on mutual fear, heavily favours the Russian aim of maintaining the *status quo*. Apart from the basic question of threats to the national survival of the major powers, there may be an increasing tendency to slide over other problems because no issue except the basic one would become important enough to risk a war. This situation is theoretically the same for each side, but in practice is easier for a dictatorship, especially a communist one, to exploit than for the democracies.

10. The picture from the Western point of view need not, however, be completely black. Obviously the Russians would not have adopted this new tactic if they did not think it was more advantageous to them than their previous policies. But, while we may have *drifted* into the "spirit of Geneva", nevertheless it is the situation which we have essentially been aiming for — that is, not necessarily of friendly co-existence, but at least of mutual toleration and peaceful competition. There are still many holds which are not barred, even though neither side aims at a knock-out. It must, however, be recognized immediately that in a period of *détente* the onus on us to deal effectively with the internal problem of communism is very much greater and probably more difficult.

11. Our main, indeed perhaps our sole, hope of effectively containing communism has, I think, always rested in the possibility of a change within the U.S.S.R. itself; one that came from within and was not imposed from outside. If we can avoid a war with Russia for a further ten years or so, there is a very strong chance that the régime will gradually mellow and settle down into the conservative mould that revolutions historically have followed. It

has taken longer in the case of Russia, for a variety of reasons, but it has been happening in spite of the Stalinist straight-jacket, and everything that is now going on inside the U.S.S.R. points to a tremendous development in that direction. This should, in turn, have implications for the effectiveness of international communism which might, in the course of time, cause that threat to diminish also, at least in its present form, as an arm of Soviet foreign policy.

12. As the new Soviet bourgeoisie begins to enjoy the fruits of its labours, and the intelligentsia to revel in the privilege of thinking more freely, and of judging for itself the rest of the world, the system is going to alter radically in spite of itself. At the present time this ambience in Russia is something that can be turned on and off at will. But given a few years of this, and it will be almost impossible for the collective leadership, without a police terror of the Stalinist type, to put back the clock. As the satellite governments are a reflection of the U.S.S.R. this change may gradually permeate there also with interesting possibilities inherent in it.

13. This is not to say that there is not the danger that one of the present leaders might eventually emerge as undisputed dictator and attempt to revert to a Stalinist type régime, stressing the inherent nationalism and messianism in the Russian character. There is, however, little evidence at present that any of the Soviet leaders have in them the capabilities for this. It also seems unlikely that any people could produce three great leaders in succession. Nevertheless it is one of the possibilities that must be kept in mind and its realization would alter, of course, all the conclusions advanced above.

14. In the present circumstances — however they may develop — it would be wise to maintain the strength and unity of the West at a level capable of dealing with a possible reversion to earlier tactics. No matter what happens, even if the revolutionary fervour continues to decline and the system begins to become conservative, Russia will still remain a vast and powerful country, the very existence of which can constitute a menace to its neighbours so long as its standard of living remains lower than the West and its ideology despotic and anti-capitalist.

15. The primary aim of the West remains the preservation of peace. To attain this our unity and strength must be maintained. The acceptance of restraint in the use of force to settle international differences does not necessarily mean the removal of basic conflicts of national interests.

16. In the long run, however, the best hope of lessening the danger to the West may be in separating the messianic urge in Russia from its material strength. The Russians have regularly gone through periods of tremendous vitality and then lapsed back into long stretches of relative quiescence. If the analysis is correct, the conclusion to be drawn is that we should do nothing to slow up the process of evolution in Russia, and indeed try to speed it up in every way possible. In other words we should try to transform what may be only a tactical change by the Soviet leaders into a basic alteration of the Soviet system.

17. This means, in the first place, that we should try to reach acceptable compromises with the Russians on certain foreign policy issues, such as disarmament, if we can do so without sacrificing any basic security interest. At the same time we would have to be careful to avoid a series of concessions which in the end might weaken us beyond the danger point. *Secondly* we should encourage the present readiness of the Russians to permit greater numbers of visitors, official and unofficial, to enter their country, and to send delegations abroad. The Russians are an intellectually curious race, and any light which we can help to let in will have a cumulative effect over the years out of all proportion to the number of individuals actually affected.

18. If, however, the Soviet leaders and people should become convinced that the West was *not* interested in their present desire to establish a kind of *modus vivendi*, and decided to try to withdraw once more within a Stalinist shell, it would carry very serious dangers for the West. It would also, of course, be a risky proposition for the present Soviet leaders because of the internal political, economic and social problems with which they are faced. This return to Stalinism was, they might claim, forced on them by the lack of response from the West to their efforts to relax tension and bring about a genuine accommodation of views and interests.

19. If a new and tough Stalinist policy succeeded in speeding up the process of narrowing the gap — economic and developmental — with the West we would be confronted with an armed, embittered and xenophobic despotism, which would be an even greater menace to us than that which we have already feared. If the Soviet leaders felt, however, they were failing in their attempt to return to Stalinism, they might turn to some foreign adventure to save their position. In either eventuality, the result would be disastrous for all of us.

20. There is, it seems to me, one specifically Canadian side to these developments. In general our interests in, and our policies towards, the U.S.S.R. are undistinguishable from the rest of NATO. But they also have a direct bearing on our relations with the United States. So long as the latter country feels menaced by the U.S.S.R. it is going to feel the insecurity of its northern defences — perhaps increasingly so if over the course of the next decade there is a gradual withdrawal of trans-Atlantic troops from Europe. And if the Americans believe a real danger of attack across Canada remains, there will be pressure on us to accept United States bases and troops in the North, and *ipso facto* pressure on our sovereignty.

21. If, therefore, one of our main foreign policy aims is to maintain our position of friendship with, but as much independence of, the United States as possible, it follows that we can best accomplish this in a world where the danger of war has diminished. Thus, the two basic Canadian aims — security vis-à-vis the U.S.S.R., and the maintenance of our national independence — coincide at the present time in the policy of attempting to exploit the present Soviet willingness to establish more peaceful and normal relations between the two big power blocs.

22. The viewpoint stated above is not precisely that held in Washington, where it is felt that in the new situation and the changed atmosphere, the pressure should be kept up on the Soviets; in particular about the following issues: Germany; the Satellites; slave labour conditions; and the subversive activities of international Communism. The State Department believes that the Soviets are in great need to continue the relaxation of tension and that they will pay some appreciable price for this. The U.S. seem ready therefore to pass [press?] their advantage at this time in the hope of early successes based on the gamble that the Russians are in no position to reverse their tactics.

23. Our conclusions, however, are that the greatest hope in the long run for the creation of a sensible *modus vivendi* between the U.S.S.R. and the West is by the gradual transformation of the Soviet Union into a more conservative society anxious for peaceful, normal relations with the West. If this premise is accepted, we should therefore do all we can to speed up the process and should certainly not adopt an uncompromising attitude now which might drive the Russians back into xenophobic isolation. It is likely that impatience on the part of the West to have the Soviet Union loosen their hold on the satellites too rapidly would only confirm their worst suspicions of us and lead to a reinforcing of the Iron Curtain. We should therefore aim at a long period of détente which would remove suspicions and weaken the Curtain piecemeal. The Soviet hold on the Satellites, a

resource-consuming hold, is retained for defensive reasons primarily. The Soviets may become impatient to turn those resources to more productive ends as the imagined threat to the U.S.S.R. diminishes in their eyes. In any event, a more forthcoming attitude towards the West by Moscow is bound to have extremely important repercussions in the Satellite countries. It is difficult to see how Soviet Russia can at the same time maintain the Satellites in subjection and continue to explore avenues of cooperation with the Western Powers.

24. The activities of international communism in the new situation are more difficult to classify. Naturally in a period of détente the communist parties, particularly in their overt activities, are likely to find the going easier, as witness the period of the war-time alliance. It seems improbable that they will lessen their activities, nor that the Russians will abandon a useful weapon of their foreign policy, and long-term ideological aspirations. But this surely is primarily a problem for our governments to solve on the domestic front. While there can be no question of forgetting the international nature of the communist movement, nor of its tremendous ideological attraction, I do not see that we would gain very much in trying to force a show-down with the Soviet Union on this issue at this time.

25. If the above analysis is accurate, then our policy is clear — if difficult. We should exploit in a forthcoming way, every Soviet move which might prolong and deepen the present détente, while maintaining our strength and our collective policies under NATO. We should give our people no reason to believe that tension has now ended, that danger is past and relaxation can safely be indulged in, while convincing them that we are doing everything possible to bring about such a desirable state of affairs.

L.B. PEARSON

SUBDIVISION II/SUB-SECTION II

VISITE DU SECRÉTAIRE D'ÉTAT AUX AFFAIRES EXTÉRIEURES,
5-12 OCTOBRE 1955

VISIT OF SECRETARY OF STATE FOR EXTERNAL AFFAIRS,
OCTOBER 5-12, 1955

531.

L.S.L./Vol. 220

*Note du secrétaire d'État aux Affaires extérieures
pour le premier ministre*

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

CONFIDENTIAL

Ottawa, June 28, 1955

CONVERSATION WITH MR. MOLOTOV

Mr. Sobolev indicated last Thursday evening, and again on Friday morning, that Mr. Molotov was anxious to have a few words with me. We met, therefore, on Friday during the Assembly session in a room off the main hall. It transpired that Mr. Molotov wished to extend to me an invitation to visit Moscow as an official guest. He said that his ambassador in Ottawa had reported some time ago that I had expressed a desire to visit Russia, and this official invitation was the result. I told Mr. Molotov that I had indeed told Mr. Chuvahin that I hoped one day to visit his country to see how the Russian people lived and worked. I still hoped to do that but was not sure when it could be arranged. Mr. Molotov then asked

me at once to name a date which would be convenient. I told him that I could hardly do that without consideration; that I had a very busy summer ahead of me, and in any event I would wish to discuss the matter with you. Mr. Molotov seemed somewhat disappointed and wondered why we could not decide the matter immediately. He certainly does not indulge in any diplomatic finesses in these matters. I was not to be pressed, however, and told him that I would get in touch with Mr. Chuvahin in due course about the possibility of such a visit, and that I was sure that his ambassador would report it at once to Moscow.

I then told Mr. Molotov that we found Mr. Chuvahin a friendly and popular ambassador and that he was doing his best to improve relations between our two countries.

We parted with the usual reciprocal, if conventional, expressions of mutual regard. I doubt if he was more sincere in this exchange than I was. He was, however, very cordial throughout and did his best to smile and appear "peace-loving". I must add that I do not find him unusually attractive in this new role. He obviously has not developed a sense of humour with his new and friendly manner. I told him, for instance, that a Canadian Cabinet Minister, Mr. Sinclair, was leaving for Moscow in a couple of weeks⁴² and I doubted whether even the great and strong Soviet Union could stand two Cabinet Ministers in succession. He did not seem to think that this was very funny.

L.B. PEARSON

532.

L.B.P./Vol. 67

*Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur en Norvège*

*Secretary of State for External Affairs
to Ambassador in Norway*

TELEGRAM 59

Ottawa, July 8, 1955

CONFIDENTIAL

Reference: Your telegram 56, July 5.†
Repeat Moscow No. 94.

MOLOTOV INVITATION

I have sent a tentative reply through the Soviet Ambassador here expressing appreciation of the invitation, but saying that the only opportunity I would have this year to visit the Soviet Union would be en route to the ministerial meeting of the Colombo Plan Conference which opens at Singapore on October 17, and that I would be glad to spend a week in Russia en route. I have also indicated that I would be travelling by RCAF plane and would wish to fly on to Singapore after my Russian visit.

2. I have taken this line because I do not wish to make a special trip to Moscow. I would hope, therefore, to minimize the possibility of the Soviet Government exploiting, for prop-

⁴² Sinclair était en Union soviétique pour assister à une réunion de la commission baleinière internationale.

Sinclair was in the Soviet Union to attend a meeting of the International Whaling Commission.

agenda purposes, my visit. They may not wish to have me on these conditions and at that time, in which case the visit would be postponed indefinitely.

[L.B.] PEARSON

533.

L.B.P./Vol. 67

*Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur en Norvège*

*Secretary of State for External Affairs
to Ambassador in Norway*

SECRET

Ottawa, July 20, 1955

Reference: My telegram No. 59 of July 7.

VISIT TO THE U.S.S.R.

Following from the Minister. Please inform Lange that the Russians have now replied that they would be happy to receive me in Moscow any time between the 5th and 9th October until my departure on the 13th for the Colombo Plan Conference in Singapore. They have also agreed to my suggestion of travelling in a Canadian aircraft.

I should be grateful if Lange could treat this information, for the time being at any rate, as purely for his own information. I should be grateful in turn if he could let me know what he plans to do about the Soviet invitation.

L.B. PEARSON

534.

L.B.P./Vol. 67

Note

Memorandum

CONFIDENTIAL

Ottawa, October 17, 1955

MR. PEARSON'S TALKS WITH SOVIET LEADERS

Mr. Pearson had discussions in Moscow [on October 6] with Mr. Molotov ranging over a wide variety of subjects. The discussion of international affairs was largely on well-known ground. Mr. Pearson put forward no new proposals or solutions, but confined himself to a frank statement of the Canadian, and Western, points of view. Mr. Molotov refused to be drawn out by the few leading remarks which Mr. Pearson put to him.

Geneva Meeting of Foreign Ministers

2. Mr. Molotov's remarks generally were discursive, ambiguous and followed the familiar current Soviet line. He kept his remarks short, he said, because he had put forward the Soviet position on most of the current problems already in his statement before the United Nations General Assembly. He placed particular emphasis on effects of the meeting at the summit [in Geneva] in reducing international tensions and the need now to make further progress in that direction by stressing those problems on which it was possible to find common ground between powers. He said he hoped that the United States at the forthcoming conference [of Foreign Ministers] would not insist on giving priority to German reunification, whose solution had been complicated by the Paris agreements, but would be

prepared to approach the problem from the point of view of trying to establish European security.

3. In commenting, Mr. Pearson said that although not a participant in the forthcoming conference, Canada had a big stake in Geneva and hoped for positive results. While Germany was the most difficult problem, its re-unification could not be separated from European security since Europe could not be secure if it included two German states bitterly hostile to one another and each in an opposing camp. He also emphasized the importance of considering assurances against possible German threats to the Russians as well as ourselves.

Disarmament

4. Mr. Molotov noted that the positions of the powers seemed to be getting closer and expressed the hope that Canada might contribute further to agreement. Mr. Pearson replied to the effect that while our responsibilities were not as great as those of the big powers, our aim was to contribute what we could to agreement; he strongly supported the Eisenhower proposal as an important contribution, and hoped that the growth of mutual confidence would lead to a comprehensive plan for disarmament.

East-West Contacts

5. Mr. Molotov made cordial reference to Mr. Pearson's visit as constituting a practical example of effective East-West contacts in action. In reply Mr. Pearson said he hoped the visit would enable him to return with a better understanding of Soviet problems as well as giving the Russians a better understanding of our point of view. There was a very general conversation about the mutual advantage of a greater exchange of information. On consular questions, such as information on persons in the U.S.S.R. with relatives in Canada, etc., Molotov said that if this were raised by the Embassy they would do what they could in accordance with their laws.⁴³

United Nations

6. Mr. Pearson told Mr. Molotov that we felt that the time had come to make the United Nations more nearly universal, if not at this session then surely at the next. Mr. Molotov said he was aware of the "Canadian proposal" and he thought that we should see if we could have the question settled at this session.⁴⁴ When Mr. Pearson raised the question of the Soviet Union's special difficulty over Japan, however, Mr. Molotov did not comment.

7. In the course of a general statement Mr. Pearson mentioned his regrets at the necessity for France's withdrawal from the Assembly.⁴⁵ When Mr. Molotov subsequently expressed agreement with this attitude of regret at withdrawal Mr. Pearson pointed out that he was not criticizing the French but regretted the developments that had provoked it. Mr. Molotov did not comment further on this or on Mr. Pearson's observation that inclusion of "domestic" items on the agenda was becoming dangerous for the functioning of the Assembly.

Indo-China

8. Mr. Pearson asked Mr. Molotov as co-chairman for his views on Indo-China emphasizing that although the Commission was a burden on us and we should like to bring our men home we would stay as long as the Commission was doing useful work in the area

⁴³ Pour une élaboration de la politique canadienne sur les relations Est-Ouest, voir le document 209.

For an elaboration of Canadian policy on East-West contacts, see Document 209.

⁴⁴ Voir le chapitre premier, première partie, section iii./See Chapter 1, Part 1, Section iii.

⁴⁵ Voir le chapitre premier, première partie, section vi./See Chapter 1, Part 1, Section vi.

under the Armistice Agreement. Mr. Molotov said the Russians attached great importance to Indo-China because they thought the Geneva Conference of last year did much to reduce international tension. Though the important question of the termination of the war was settled there remained many issues to be resolved. The work of the commissions was of international importance and far from terminating them we should seek to improve their work. He had maintained closest contact with Sir Anthony Eden and Mr. Macmillan on the subject at Geneva and New York. Mr. Macmillan had told him in New York that his Government wanted the work of the Commission to continue. The Russians attached particular importance to consultations and preparation of elections and he understood Mr. Macmillan to say in New York that he was hopeful of a better attitude on this subject from South Vietnam and particularly Diem in a few weeks. He had also spoken to Mr. Pinay in New York. He thought they would have to revert to the subject again in Geneva. When he finished Mr. Pearson spoke of our concern over establishment of the authority of the Royal Laotian Government in all parts of Laos under conditions fair to all parties but Mr. Molotov did not pick up this point.

China

9. Mr. Molotov said Canada could not fail to be interested in the problem of Korea and China. On the former Mr. Pearson merely mentioned our desire for appropriate arrangements to unify the country. China, Mr. Pearson said, was the biggest problem of all. No one could feel comfortable when two bitterly hostile Chinese régimes aligned to the East and West faced each other. Mr. Molotov said both Canada and the Soviet Union had an interest in this question and it required diplomatic discussion. In his view it would be in the interest of the United States to have it settled. Mr. Pearson spoke of our attitude on recognition mentioning "doubts in Canada and more particularly the United States of Chinese intentions and our desire not to create unnecessary difficulty in our relations with the United States as these were very important to us. However, we were moving in Canada towards a recognition of the facts as they exist. Mr. Molotov said he was aware of Mr. Pearson's Vancouver statement and welcomed what he called the new approach.⁴⁶ The meetings between the Americans and Chinese in Geneva could contribute to the strengthening of peace in the Far East.

General

10. Mr. Pearson commented that Molotov during all his contacts with him seemed anxious to avoid coming to grips with any issue which might cause an argument. He at no repeat no, time appeared as a decisive figure, but there was nothing in the apparently easy relations among his colleagues to suggest a crisis of any kind.

11. Molotov's bland platitudes were in contrast with the franker but jovial comments of Maganovich, and the amusing and intelligent remarks of Malenkov. Mr. Pearson took the opportunity offered by informal conversations to explain frankly the close and intricate nature of our relations with the United States. The Russians refrained from any but very indirect criticism of U.S. policy and stressed that Canada could be a bridge or interpreter.

⁴⁶ Voir/See Document 749.

535.

DEA/12278-40

Résumé du procès-verbal de la réunion à Kremlin
Summary Record of Meeting at Kremlin

SECRET

[Moscow], October 10, 1955

U.S.S.R.

Mr. Molotov, Foreign Minister
 Mr. Zorin, Deputy Foreign Minister
 Mr. Chuvahin, U.S.S.R. Ambassador to Canada
 Mr. Erofeyev, Head of Second European Division, Foreign Ministry
 Mr. Troyanovsky (Interpreter)

CANADA

Mr. Pearson, Secretary of State for External Affairs
 Mr. John Watkins, Canadian Ambassador to the U.S.S.R.
 Mr. John Holmes, Assistant Under-Secretary of State for External Affairs
 Mr. Crépault, Adviser

Mr. Pearson began the discussion by expressing to Mr. Molotov his appreciation for the friendly reception which he had been given in Leningrad. He said that he had met many people in Leningrad who were convinced that their city was better even than Moscow! He realized, of course, that one day was hardly sufficient to know a city like Leningrad, but he was impressed by what he saw. He was now looking forward to his trip to the Crimea to meet Messrs. Bulganin and Khrushchev. The programme of his visit to the U.S.S.R. had been heavy, and he naturally felt a little tired at the pace, but the warm welcome and generous hospitality which was being shown them helped alleviate fatigue.

Mr. Molotov remarked that it was a good thing that Mr. Pearson would be able to see the leaders of the Soviet Union.

Mr. Pearson, referring to the rest of his programme in Moscow, said that the talks on trade were continuing with Mr. Sharp as the Canadian spokesman.⁴⁷ He was also hoping personally that there would be useful talks this afternoon at the Ministry of Culture.

Mr. Molotov said that he had no doubt that exchanges of views on trade and culture could only be beneficial to the relations between the two countries.

Mr. Pearson said that the Canadian Government was sincere in its desire for a trade agreement with the U.S.S.R. It was naturally difficult to conclude one because of the differences in the two systems, and the discussions would ultimately have to be referred to and continued in Ottawa. But good progress, he felt, had already been made and he wanted to reaffirm that Canada was genuinely anxious to have such a trade agreement, even though one could not be concluded here. He hoped that something on this question could be concluded in the joint communiqué and that the trade talks would be continued.

Mr. Molotov said that this would be well.

Mr. Pearson said that he had been assuming from what he had been told that a joint communiqué would be issued at the end of the visit, but on this point he was in the hands of Mr. Molotov. As far as he was concerned, he was quite prepared to have a release which would just say that he had come to Moscow, had an enjoyable and useful visit, and that he had left; but if Mr. Molotov desired to have a joint communiqué, that would also be all right with him.

⁴⁷ Voir/See Document 543.

Mr. Molotov replied that a joint communiqué would be the correct way to conclude this visit, and to underline its importance.

Mr. Pearson explained that after having discussed the matter with Mr. Chuvahin yesterday, he had prepared a draft text† which was acceptable from the Canadian point of view. He had given the draft to Mr. Chuvahin. Mr. Pearson wanted to know whether this draft was suitable as a basis for discussion. (Note: at this stage, Mr. Molotov exchanged some comments with Mr. Chuvahin, which seemed to indicate that Mr. Molotov had not yet seen the Canadian draft. It appeared that Mr. Chuvahin, who received the draft last evening at about 7.30, had sent it directly to the translators. Mr. Molotov appeared somewhat displeased at hearing this.)

Mr. Molotov replied that unfortunately he had seen the translation of the Canadian draft only a few minutes before the Minister had come into his office, and had had, therefore, no time to study it in detail. He thought perhaps that the best procedure would be to discuss the communiqué in general. Mr. Pearson could make any other observations that he might have at this stage, so that this afternoon Mr. Pearson's deputy, Mr. Holmes, and his deputy, Mr. Zorin, could meet and discuss it in detail; the Ministers might then approve it at the reception planned for 6.00 this evening.

Mr. Pearson said that he had one more observation to make; he wondered whether mention should be made of his proposed visit to the Crimea.

Mr. Molotov thought that this would be quite natural and, indeed, necessary, and that reference should certainly be made to it in the text of the communiqué. Mr. Molotov thought it would also be desirable to refer to the discussions with the Ministries of Trade and of Culture.

Mr. Pearson thought that the names of the officials from these two Ministries could be mentioned in the first paragraph of the communiqué along with the names of the other leaders of the Government whom he had met.

Mr. Molotov agreed that this would be right.

Mr. Pearson said that he was also in agreement, since a copy of the translation had only reached Mr. Molotov this morning, to the suggestion that their respective deputies could try their hand at a final draft.

Mr. Molotov said that this would be correct procedure, and that if after Mr. Pearson's visit to the Crimea it was found desirable to make additions, these could be made then.

Mr. Pearson told Mr. Molotov that it was his intention this afternoon in his talks with the Deputy Minister of Culture, to raise the question of tourist, scientific, cultural and other exchanges. He wanted to mention this to Mr. Molotov now, in case he had anything that he wanted to say on this point.

Mr. Molotov asked Mr. Pearson what particular fields he had in mind when he referred to scientific and cultural exchanges.

Mr. Pearson replied that since his stay in Moscow his understanding of these terms had been enlarged, and that they might now include, for instance, agricultural experts. This field had become of particular interest after his visit to the Moscow Agricultural Exhibition, where the director was an expert cerealist, and where it had become evident that useful information could be exchanged in this field. There was also the subject of information on Arctic developments. Mr. Pearson remarked that Canada was not perhaps doing as much as the U.S.S.R. in this field, but that some of the Canadian work might nonetheless be of interest to the Russians, and vice versa. There was also meteorological information; some of the Canadian experts in this field would be prepared to come to Moscow, and Mr.

Pearson thought some Russian experts would also no doubt like to reciprocate the visits. He knew that both countries had been carrying out experiments in this field, which could be usefully exchanged, and which would lead to an improvement in the various techniques at present in use.

Mr. Molotov concurred that exchanges of information in these fields could be advantageous, including the field of meteorological information, and thought that arrangements could be made on both sides.

Mr. Pearson went on to say that he would be grateful if the Canadian Ambassador in Moscow, Mr. Watkins, could take up with the appropriate Russian authorities, procedures for securing information about relatives of Canadians who were residing in the U.S.S.R. He thought that there might be a possibility of using the services of the Canadian Red Cross and of the Soviet Red Cross and Red Crescent in this regard. There were also a few Canadians who were resident in the U.S.S.R. and who have been wanting to go to Canada. Some of them were dual nationals. He had no wish to raise individual cases at this time, but he would like to think that something could be done through the good offices of the Canadian Embassy.

Mr. Molotov indicated that judging from what Mr. Pearson had said it was difficult for him now to say exactly what could be done. Naturally, however, the Embassy would be able to raise any question that the Canadian Government wishes, and the Russian authorities would see what could be done to meet the Canadian wishes, within the framework of the Russian laws. Mr. Molotov then enquired whether reference could be made in the communiqué on the common grounds which exist on disarmament since Russia and Canada were both on the Disarmament Sub-Committee and their views had recently been closer on a number of points.

Mr. Pearson agreed, and thought that mention indeed could be made of the fact that Russia and Canada have worked together on the Sub-Committee; that their views had come closer together, and their hope for further progress in this field.

Mr. Molotov thought that this would be desirable and that what Mr. Pearson had said was acceptable to him. He added that he would also like reference to be made to the mutual desire which existed between Canada and Russia that there be no kind of discrimination in the field of trade.

Mr. Pearson said that the paragraph on page two dealing with trade could probably be expanded somewhat.

Mr. Molotov said that it would not be difficult to find some wording which would meet their mutual wishes.

Mr. Pearson said there were two other points which he would like to mention and he apologized for their detailed nature. He hoped that if the Canadian Government were to request an increase in its Embassy staff in Moscow, such, for instance, as the addition of an Agricultural Secretary, there would be no difficulty in providing the necessary accommodation. One or two additional Secretaries might be coming, and he would be grateful if the necessary arrangements were possible at this end.

Mr. Molotov said he thought there should be no difficulty in making those arrangements to meet the wishes of the Canadian Government.

Mr. Pearson said that the second point was one that Mr. Sharp had already mentioned to the officials of the Ministry of Trade; it was being mentioned, of course, in a purely preliminary way; it was the question of an air transport agreement between Canada and Russia. Mr. Pearson said that when he returns to Canada and reports on what he has seen in Russia, there might be more Canadians who would wish to come here! There would

then be the question of transport. It might be possible to work out an air agreement. This might take some time but he just wanted to mention at this time the possibility of such an agreement.

Mr. Molotov remarked that of course this matter would require some special consideration. *Mr. Molotov* then enquired whether mention could be made in the communiqué to an exchange of parliamentary delegations.

Mr. Pearson said that this would be possible if it was desired. He explained that he had mentioned this proposal to the Speakers of the two Houses before leaving Canada. He felt that they were in favour of such visits, but as *Mr. Chuvahin* would know, *Mr. Pearson* could not very well impinge upon the privileges of Parliament. Nonetheless, he thought that some words could be found which would avoid this difficulty.

Mr. Molotov said that he appreciated that the matter had to be decided by the Members of Parliament; what he had had in mind was simply the principle of desirability of such exchanges. He did not wish to refer to specific questions, such as that of dates, but only a general expression of desirability.

Mr. Pearson thought that some formula could be found. He mentioned that the Prime Minister of Canada had already stated in the House of Commons that such exchanges could be helpful. *Mr. Pearson* said that if such visits became current, of course, there would be a still greater need for an air agreement.

Mr. Molotov replied that it will have to be seen how things develop in the future in this respect. It is possible that they will continue to develop favourably.

Mr. Pearson said that if there was no other point, the deputies in charge of the final draft of the communiqué might be allowed to get to work.

Mr. Molotov said this was a good idea. He was looking forward to seeing *Mr. Pearson* at the reception this evening.

Mr. Pearson said that he was looking forward to *Mr. Molotov's* reception. Referring to the reception which had been given at the Canadian Embassy two days ago, *Mr. Pearson* said that some newspapermen had probably made nuisances of themselves. He said he had felt at first that he should apologize for this, but he had then been given to understand that the press procedures and activities in question at such parties were not unusual in Moscow.

Mr. Molotov remarked that of course no one had to subject himself to press attention when there was no need to do so, but this was left to one's discretion. He noted that there had been good facilities at the Canadian Embassy reception for the newspapermen, and that some similar facilities would be available at his reception.

The meeting adjourned at 1105 hours.⁴⁸

⁴⁸ Pour le communiqué publié conjointement à la fin de la visite de *Pearson*, voir Canada, Ministère des Affaires extérieures, *Affaires Extérieures*, volume 7, N° 11, novembre 1955, pp. 282-285.

For the joint communiqué issued at the end of *Pearson's* visit, see Canada, Department of External Affairs, *External Affairs*, Volume 7, No. 11, November 1955, pp. 278-281.

536.

DEA/12230-40

*L'ambassadeur en Union soviétique
au secrétaire d'État aux Affaires extérieures*

*Ambassador in Soviet Union
to Secretary of State for External Affairs*

DESPATCH 728

Moscow, October 14, 1955

SECRET

MR. PEARSON'S CONVERSATION WITH FIRST DEPUTY MINISTER OF CULTURE

On Monday afternoon, October 10, at 3:30 p.m., as you will remember, I went with you to call on Mr. Kaftanov, the First Deputy Minister of Culture. With him, in addition to the Soviet Ambassador in Ottawa, Mr. Chuvahin, and the translator, Mr. Pavlov, were two senior deputies of the Ministry of Culture, Mr. Tverdokhlebov and Mr. Surin, and one or two other officials whose names I did not get.

2. The most signal characteristic of the meeting was the alacrity with which the Russians agreed to all the exchanges proposed. On matters which did not come under the Minister of Culture, Mr. Kaftanov promised that they would be brought to the attention of the authorities concerned and expressed assurance that they would be interested.

3. The exchange of scientists and technicians for instance, Mr. Kaftanov said, was now under the Ministry of Higher Education, which he was sure would be agreeable. The exchange of scientific and technical literature, however, was still under Mr. Kaftanov's Ministry. This kind of exchange was not only possible but highly desirable and in his opinion would be mutually profitable.

4. Mr. Kaftanov did not seem to have the slightest hesitation in endorsing the suggestion for exchange of information on cultural, ethnological, historical, and scientific work in the Arctic regions. Mr. Tverdokhlebov mentioned especially the work which has been done in the Institute in Leningrad on the production of grammars and the development of means of writing the various Arctic languages. Mr. Surin said that some very interesting films on Arctic research had been produced in the Soviet Union and suggested that an exchange of these for Canadian films on the Arctic would be very useful. Arctic sculptors seemed to be prolific in both Canada and the U.S.S.R.

5. When you remarked that the exchange in meteorological information, which had been happy and constructive in spite of political relations, could perhaps, as you had suggested to Mr. Molotov, be further improved and developed in a better political atmosphere, for instance, in the field of ice and flood forecasting, Mr. Kaftanov replied that he considered this very important. It was outside the scope of his Ministry but he would refer the matter to the appropriate officials and the exchange could be arranged in the usual way. To Mr. Chuvahin's suggestion that some kind of convention might eventually be drawn up to cover this matter, you agreed that when there had been time to study the basis of such an exchange, it might be possible to embody the results in a document of some sort.

6. Mr. Kaftanov agreed that sports exchanges of various kinds would be desirable. These matters were handled by the Physical Culture and Sports Committee of the Council of Ministers. He could not foresee any difficulty, however, for as was well known, the Soviet Union sent its athletes to all countries which invited them. Mr. Kaftanov displayed some knowledge of Canadian prowess not only in hockey but in rowing, swimming and other

sports. Hockey, they knew from their own experience, was also good training for football players and they had many who were good in both games. In reply to your remarks about the roughness of hockey, some of the officials referred to similar problems in football and agreed that sometimes both games were not as "cultured" as they might be.

7. Mr. Surin returned again to the question of the exchange of documentary films and the possibility of exchanges between our television centres. Mr. Kaftanov agreed that this would be of great interest and seemed to welcome your suggestion to send a television and radio expert to this country. Mr. Tverdokhlebov thought that the exchange of musical records for radio broadcasts would be a good idea.

8. When you remarked in conclusion that you had found the discussion interesting and useful and hoped that it would lay the basis and lead, now that contacts had been established — contacts which could be widened in Ottawa — to real developments, Mr. Kaftanov replied that all your wishes coincided with theirs and that all desired the mutual strengthening of relations between our countries.

J.B.C. WATKINS

537.

DEA/12278-40

*L'ambassadeur en République fédérale d'Allemagne
au secrétaire d'État aux Affaires extérieures*

*Ambassador in Federal Republic of Germany
to Secretary of State for External Affairs*

TELEGRAM 237

Bonn, October 15, 1955

SECRET. IMMEDIATE.

Repeat London No. 100 (Immediate); Paris No. 67 (Important); Washington No. 1 (Important).

VISIT TO U.S.S.R.: PEARSON-KHRUSHCHEV TALK OCTOBER 11

Following from the Minister, Begins: The two hours talk which I had with Khrushchev and Bulganin on the last night of my visit was undoubtedly the most interesting both on account of the two Soviet personalities involved and the frankness with which Khrushchev in particular put forward the Soviet attitude to such important matters as NATO and the security of Europe. I am having this summary report despatched by Ignatieff at first opportunity on his way back to Ottawa.

2. Khrushchev, who is as blunt and volatile as only a Ukrainian peasant, turned one of the most powerful political figures in the world, can be, came straight to the point before we even sat down. With a CBC microphone pushed in front of him (this was permitted for the first few minutes of our visit along with photographers and a few journalists) he asked me why Canada does not leave NATO, which he described as an aggressive alliance and a direct threat to Russia and to peace. I replied that I had talked myself hoarse (I had indeed almost lost my voice at the time) trying to convince people in Moscow that NATO was purely defensive and had no aggressive intent whatever. I added for good measure that I had also been trying to convince them that the Americans were fine people, good neighbors with no thought of attacking anybody. Khrushchev also said that he hoped I was convinced by my visit that there was no economic or food crisis in the Soviet Union. It was typical of wishful thinking in the West who were looking in vain for Soviet weaknesses. I

said that I doubted any such reports of crisis and that my own experience would suggest there was lots of food!

3. After this characteristic outburst and after we had taken our places around a table I tried to direct the discussion into more orderly channels by referring to my talks in Moscow and the communiqué. Khrushchev said that he had been kept informed and regarded the communiqué as acceptable though disappointingly vague and non committal. From their point of view perhaps they cannot expect more at this stage in Canada-Soviet relations, he added somewhat revealingly.

4. This gave me an opening to say that Canada is increasingly conscious of the fact of being between two powerful neighbors; with the United States we are on very friendly terms of good neighborhood and we hope to be on better terms with the Soviet Union also. Khrushchev replied that Russia never had conflict with Canada and that he could not foresee any conflict arising. He did not neglect to point out, however, we were on the air route to United States cities if war was ever forced on them. In that tragic contingency he reminded me they also had buttons which could be pushed with devastating effect.

5. In reply to my remark that Canada cannot feel comfortable unless Soviet-United States relations are also satisfactory, Khrushchev agreed adding that he saw no special grounds for concern at present; things would work out all right he thought. People like McCarthy who flourished on the line that the Soviet Union wanted war had been discredited. I emphasized that no right thinking people in the United States and especially the President even considered any aggressive attack on anybody; that much of the news from the United States reaching Europe and the USSR was misleading as to United States intention and United States feelings. The sensational was shouted too much which distorted the picture so far as the United States was concerned. One of the advantages of visits was the opportunity to dispel misapprehensions and remove misunderstandings and distortions.

6. Khrushchev then brought up the alleged Carpenter statement again saying that he (who was described as "the Chief of the Air Staff in Canada") had said that the U.S.S.R. should be made to understand that they could be "utterly destroyed" and that the Soviet military set up was "20 years behind the times".⁴⁹ I reacted strongly to this by saying that Carpenter was not Chief of Air Staff but a subordinate officer and that if it was found that he had made such irresponsible statements he would no doubt be appropriately dealt with. I went on to say that what disturbed me more was that such an inaccurate and misleading report should have reached the Soviet leaders. In Canada it could be denied by responsible persons in our free press while in the U.S.S.R. it was accepted without question or any opportunity of correction.

7. Khrushchev said that the Soviet leaders were not concerned by the implied threat in the statement but by the suggestion that the Soviet Union's military establishment was out of date. This kind of talk might encourage aggressors.

8. I then turned the conversation to the Geneva conference and the German problem. Khrushchev said that the Soviet Government had no illusions about the prospects of the forthcoming foreign ministers' meeting at Geneva. He agreed with me however when I said that even if much did not come out of this meeting it was only the beginning of what I hoped would be a continuous search for solutions to problems at such meetings. The main stumbling block Khrushchev said would be Germany and the approach to the solution of this problem agreed between the three western powers. This was definitely not acceptable to the Soviet Union. They could not agree to having the NATO military organization of the

⁴⁹ Voir le chapitre 2, 10^e partie./See Chapter 2, Part 10.

west which Khrushchev said again was directed against the U.S.S.R. further strengthened by the addition of 17 million Germans from the Democratic Republic: "better have 2/3 of Germany against us than the whole of it. We cannot be so stupid as to agree to strengthening the organization which is directed against us".

9. This gave me the chance to say that I might be willing to agree that the Soviet Union was justified in its fear of Germany if NATO were not a purely defensive organization. I was about to explain why NATO should be so regarded when Khrushchev broke in with the remark "you should let us into NATO — we have been knocking at the door two years". I replied that if the world situation were such as to permit entry of the U.S.S.R. into NATO it would also presumably permit proper functioning of the United Nations in the security field; that NATO was resorted to by the western powers because the United Nations was not given a chance to do work intended for it. I suggested beginning with implementation of Article 43 of the charter. I also pointed out that if the Soviets were in NATO they would have to accept integrated defence system and unified command. If they were prepared to accept that why not make the United Nations security system work?

10. This seemed unfamiliar ground for Khrushchev who returned to the charge against NATO with the remark that the Soviets could afford to wait for the break up of NATO owing to over spending on armaments by inter allied disagreements. I countered this with the argument that without NATO the Soviets might be worse off with the United States 'going it alone' and Germany free wheeling in the center of Europe without the cautious and restraining influence of countries like the United Kingdom, Belgium, France and Canada.

11. I left Khrushchev in no doubt that while we consider NATO a purely defensive arrangement it is an essential element in our defence and foreign policy and would remain so until international confidence reached a point where United Nations itself could effectively guarantee international security.

12. I asked Khrushchev if he would clarify the Soviet attitude to the German problem. His reply could not have been more categorical: "so long as the Paris agreements exist and Germany remains in NATO we shall do everything possible to prevent the re-unification of Germany". I asked him whether he was aware that it was the intention that a United Germany as a sovereign state would not be forced into NATO but would be free to choose whether to be in NATO or remain neutral? Khrushchev answered that this was the first time he had heard of it. While I was replying that he ought to look into this possibility Khrushchev got some prompting from Bulganin and returned to the charge with the statement that the U.S.S.R. had suggested a general security system which would include the United States and Canada as well as the U.S.S.R. and European states.

13. Referring to the United Kingdom proposals put forward by Sir Anthony Eden at the "summit" meeting for a security guarantee Khrushchev said that so long as the Paris agreements and NATO remained in effect a guarantee by the western powers would be regarded as humiliating for the U.S.S.R. and unacceptable. In reply to my question — why they would not regard membership in NATO involving mutual guarantees as equally humiliating — Khrushchev said that Soviet membership in NATO would put them on a footing of complete equality with the other powers in the matter of security and they would not then have to depend upon the favours or goodwill of the four powers envisaged in the United Kingdom proposals. Getting quite excited at this point Khrushchev said that the U.S.S.R. would prefer to "exist by ourselves and impose co-existence on others". "After all" he said "we have to co-exist don't we or else fly away to Mars?"

14. Then more soberly Khrushchev (after prompting from Bulganin) said that the Soviet Union does not reject the Eden proposals completely. If they could be altered for instance to include not four other powers but say 8 or 10 they might be made acceptable. Khrushchev's idea for the composition of such a group which might undertake mutual guarantees included: the United States, France, the United Kingdom, both Germanys, the U.S.S.R., Poland, Czechoslovakia, Belgium, Denmark (and then added "even Canada").

15. If the obstacle to agreement to such an approach were the two Germanys perhaps it would be better to keep them both out of the mutual guarantee arrangement, he said, but at the same time restrict their armaments. They would be indirectly associated with the guarantee arrangement through their association respectively with NATO and the Warsaw pact. To my question whether it would not be better to let a united free Germany decide by free choice how best to provide for its security, Khrushchev abruptly said "we want either both Germanys in the European security system or else neither" — as to re-unification he said the U.S.S.R. could wait — "why the hurry?" he said.

16. Khrushchev said that the approach to European security which he had outlined could open the way to a solution. So long as the western powers insisted on trying to negotiate from positions of strength there could be no change of agreement. Russians he said do not like to negotiate with "a knife in their backs". To my rejoinder that the western powers sought only defensive strength adequate to deter aggression, Khrushchev bluntly said that the policy of the western powers was plainly designed "to impose solutions" on the U.S.S.R. which the U.S.S.R. would not tolerate. I rejected this view.

17. Getting again quite excited at this point, Khrushchev said that Russians knew better than any other people what war means (he mentioned that he had lost a son) — only the Germans had comparable experience. If NATO starts a war he said, the alliance would fall apart since most of its members would not be willing to fight. He returned to this theme of NATO falling apart a number of times either in the context of defence costs or because of unwillingness to fight. At one point he said that the war if it occurred would inevitably involve Germany and the allies might as well face up to the fact that the Germans will not fight having had enough of war.

18. I replied that no one wanted war in the nuclear age and the West would never be the first to start a war to which Khrushchev replied "we shall never fire the first shot but we shall be in at the finish". To my answer that under present circumstances any world war would be infinitely worse than the last Khrushchev agreed but added "this time Canada would not be geographically secure".

19. Since Khrushchev spoke somewhat disparagingly of the military experiences of the West both in the last war and in Korea, I had to take him up on both counts reminding him in particular that Canadians although not themselves invaded had gone in large numbers, thousands of miles, to fight in the common cause; and that as for Korea, our forces had joined others in support of a United Nations decision that aggression had been committed by North Korea and had stopped that aggression.

20. Khrushchev dismissed the current disarmament discussion in the United Nations as just a "talking shop" — if they were serious why had the other powers not replied to the Soviet proposals of May 10?⁵⁰ he said. I reminded him that we had reacted but the difference had been the introduction of political conditions by the Soviets relating to security.

⁵⁰ Voir France, Ministère des Affaires étrangères, *Documents relatifs au désarmement 1954-1959*, Paris: Imprimerie Nationale, 1960, pp. 28 à 38.

See United States, Department of State, *Documents on Disarmament 1945-1959*, Volume I, Washington: United States Government Printing Office, 1960, pp. 456-467.

21. In conclusion Khrushchev now in a more mellow mood said that what the world needs is "time and patience". "The Soviet Union" he said "could afford to be patient" — "our system is solid our economy developing". Western leaders however have to accord he said "civil rights to Communism" and not react to it "like a bull to a red rag". "If you don't like it" he said "you don't have to join it". In reply I said that it was not the boast that their loyalty is for their "socialist fatherland" rather than for their own but that was our own problem. Khrushchev agreed. When I pressed the matter of outside assistance to local Communist parties Khrushchev laughed it off with "what a dollar a day? We haven't the dollars for that". What they also wanted Khrushchev said was foreign trade with the West and business contacts; there could be peaceful competition between different systems. The talk ended with my thanking the Soviet leaders for this opportunity of talking frankly with them and telling them that it was our desire to have friendly working relations with them to which my visit, I hoped had contributed. Both Bulganin and Khrushchev hoped that this would not be the last such visit from Canada.

PEARSON

The Minister has agreed that at your discretion you may make this information available to the Foreign Secretary, the Foreign Minister and the Secretary of State respectively.

538.

PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET

[Ottawa], November 16, 1955

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REPORT OF THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS
ON HIS VISIT TO THE SOVIET UNION AND THE FAR EAST

33. *The Secretary of State for External Affairs* recounted briefly the impressions he had gained on his recent visit to the Soviet Union and a number of Asian nations, and at the Colombo Plan meetings in Singapore.

As regards the Soviet Union, he felt the recent changes in tactics of the Russian leaders flowed not so much from a relaxation of tension abroad as from a relaxation of tension at home. It appeared that the Russian people were being given more freedom and, in this connection, it was just possible that a process had been started which would be difficult to interrupt or change. The Russian people were passionately sincere in their desire for peace. That, in itself, did not mean much unless the Soviet leaders converted this wish into policies for peace. Unfortunately, there was so far not much indication of peaceful policies.

The talks he had with the Russian leaders, particularly with Messrs. Khrushchev and Bulganin, were most interesting. Khrushchev seemed incapable of not saying what he actually believed and he seemed perfectly frank in his statements that the Russians did not want war. Mr. Pearson felt that Russian tactics and objectives had been altered because the Communist leaders had become convinced, mainly by their own experiments, that they could not afford a hydrogen bomb war. If this was the case, the only opportunity they had of advancing their cause was to stir up trouble in areas where they could achieve the best results. Khrushchev was confident that the Soviet Union would eventually win out in this game of patience between east and west because the American people did not have the stamina to make the continuing sacrifices required to win. They were particularly anxious

to break up NATO and get the United States "out of Europe". Khrushchev was very frank on this latter point. He was not impressed by the argument that a Germany inside NATO was less of a menace than a Germany "free-wheeling" outside that alliance. The Russians regarded a Germany in NATO as an agent of the U.S. This they could not countenance, and they would do everything to detach Germany and other nations from the U.S. Khrushchev had adduced what the Russians regarded as authentic evidence that the U.S. was an aggressor nation. Mr. Pearson was not inclined to take this seriously but for the fact that the Soviet leaders were completely ignorant of what was happening outside their own country. For this reason, it was good, from our point of view, for them to travel to other nations, broaden their view-point and find out what was actually happening in other parts of the world.

The present Russian leaders were extremely proud of the progress their own country had made. The west would be making a mistake if it assumed that the present change of tactics resulted from weakness at home. It was true that there were certain difficulties in the Soviet Union but this did not account for the altered approach. Mr. Pearson felt Canada should still meet Russian overtures half way, and indicate a willingness to settle problems as they arose, but must not weaken the Canadian position in doing so.

At the Colombo plan meetings,⁵¹ the Minister found a large measure of good-will towards Canada. He had been told before his departure that there was a tendency in India and Pakistan to underplay the assistance Canada had provided. This view was not well founded. Indian and Pakistani authorities appeared quite willing to give credit publicly to Canada for what help had been given. Both governments faced tremendous problems and it was still far from definite that they could establish viable states. Pakistan was split in two geographically. India had to contend with strong communal influences which made it exceedingly difficult to build a unified nation. When Nehru died there would be a very difficult time in India, and, if India disintegrated and became Communist, so would the rest of southeast Asia.

In Cairo, the Egyptian Premier admitted he had told the United Kingdom and the United States that, if they would not sell Egypt arms, Egypt would buy from Russia.⁵² Colonel Nasser had also agreed that Egypt would have to recognize Israel. The Jews were in the area and could not be removed. However, certain conditions for recognition would have to be established and it was likely that Israel would have to make some concessions if tensions were to be eased and the threat of war removed. Mr. Eden's recent speech, with its offer of mediation, had been well received in Arab countries but not in Israel.⁵³ There was no doubt that this area was one of the most explosive in the world. Neither side wanted to start a war, but their armies were facing and shooting at each other. General Burns was now trying to get a neutral belt of land established between them.

34. *During the discussion* the following points emerged:

(a) The Soviet authorities were anxious to expand trade but only for political reasons. They would save money by buying wheat from Canada for use in their eastern provinces, and exporting grain from the Ukraine. It was not likely, however, that such exports would interfere seriously with Canadian markets.

(b) Pakistan needed 300,000 tons of wheat but could not afford to buy this from Canada in the face of gifts from the U.S. As regards trade with India, the Indian Minister of

⁵¹ Voir le chapitre 3, 2^e partie./See Chapter 3, Part 2.

⁵² Voir/See Document 568.

⁵³ Voir/See *Documents on International Affairs, 1955*, London: Oxford University Press — Royal Institute of International Affairs, 1958, pp. 382-385.

Finance had indicated that, on a big tender for generators, Canada would be given just as fair treatment as sterling area countries. If a Canadian bid was the lowest and other conditions were satisfactory, the necessary dollars would be made available.

(c) The Russian fishing fleet was one of the biggest in the world but their vessels were bought in other countries. Most purchases had been made in the United Kingdom but Russian officials now thought British ships too expensive and were looking elsewhere. If this were the case, it did not seem likely that any ships would be bought from Canada.

(d) Good progress had been made in Russia in some aspects of the steel industry. There was little doubt, for instance, that the Sverdolov plant was one of the most efficient and modern in the world.

(e) While much had been said about Russian ignorance of the western world, Canadian ignorance of Russia and its people was just as great. Industrial expansion in Russia had been incredible. The people were avid in their desire for education. There was more internal freedom. An effort was being made to rewrite Russian history in a more factual and honest manner. However, the young people, scientists in particular, all felt the United States was on the point of collapse. It would be useful if as many of them as possible could visit North America and see for themselves how prosperous and progressive the continent was.

35. *The Cabinet* noted the report of the Secretary of State for External Affairs on his recent visit to the Soviet Union and Asia.

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SUBDIVISION III/SUB-SECTION III

ACCORD SUR LE COMMERCE
TRADE AGREEMENT

539.

PCO

*Note du secrétaire d'État aux Affaires extérieures
pour le Cabinet*

*Memorandum from Secretary of State for External Affairs
to Cabinet*

CABINET DOCUMENT NO. 187-55

[Ottawa], September 15, 1955

CONFIDENTIAL

TRADE AGREEMENT WITH THE USSR

During my visit to Moscow it is evident that the Soviet authorities will wish to discuss the possibility of a trade agreement providing for the exchange of most-favoured-nation treatment between Canada and the USSR. Canada has most-favoured-nation agreements with three Communist countries, China, Czechoslovakia and Poland.

At present Soviet exports to Canada are subject to our general tariff rates which in most cases are substantially higher than the most-favoured-nation rates. In the case of the USSR the tariff is of less commercial importance than in most countries since import decisions are taken by the Ministry of Foreign Trade. The Canadian tariff is less of an obstacle to

Soviet exports to Canada than it would be if Soviet sales were in private hands; nevertheless most-favoured-nation treatment could be of some commercial value to the USSR.

Trade between the USSR and Canada is not very extensive at present. In 1954 our exports to the USSR amounted to \$4,854,000, consisting of pulp, canned meat, barley and hides. Imports totalled \$687,000, principally fur skins.

It is unlikely that the exchange of most-favoured-nation treatment would by itself bring about any significant increase in trade. As the natural resources of the two countries are similar rather than complementary, a large volume of trade is in any case improbable. There is probably some scope for expansion however. From time to time the USSR imports from other countries some non-strategic commodities which could be supplied by Canada, including wheat and coarse grains. Canada is a market for certain products which the USSR exports to other countries such as cotton and phosphates; the commodities the USSR normally exports are not such as would create difficulties for Canadian industry.

The principal Soviet motive may well be political — a desire to consolidate the relaxation of tension that followed the Geneva conference and to put its relations with Western countries on a more “normal” basis. The USSR is the only major country that does not receive most-favoured-nation treatment in Canada.

The mere exchange of most-favoured-nation tariff treatment would be a rather one-sided bargain unless it was accompanied by an undertaking by the USSR to purchase over a reasonable period significant quantities of certain important Canadian products, including wheat. (In 1938 Canada and the USSR reached agreement in principle on a trade agreement in which Canada would have granted most-favoured-nation treatment in return for a Soviet commitment to purchase from Canada goods valued at \$5 million a year. The war interrupted these negotiations).⁵⁴ Politically the conclusion of such an agreement would not be undesirable; it could make some small contribution to the improvement of our relations.

I recommend that, if I am approached by Soviet Ministers on the question of a most-favoured-nation trade agreement, I should indicate that the Canadian Government would give favourable consideration to an agreement along the foregoing lines, provided that the USSR would undertake to purchase adequate quantities of important Canadian products, including wheat, over a long enough period.⁵⁵

L.B. PEARSON

540.

PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET

[Ottawa], September 21, 1955

...

TRADE AGREEMENT WITH THE U.S.S.R.

17. *The Secretary of State for External Affairs*, referring to discussion at the meeting of September 16th, said there had been indications that the Soviet Union might be interested in a trade agreement with Canada and enquiries had been made as to whether this might be discussed during his visit to Moscow. New Zealand authorities were already discussing

⁵⁴ Voir volume 6, les documents 615, 616 et 619./See Volume 6, Documents 615, 616, and 619.

⁵⁵ Approuvé par le Cabinet le 26 septembre 1955./Approved by Cabinet on September 26, 1955.

trade questions with the U.S.S.R. and it was possible that the United States might soon engage in trade talks with the Russians also.

In the circumstances, it might be advisable to give to the Soviet Embassy, informally, a specific proposal so that it could be considered before he reached Moscow. This could be related to the enquiries which had been received. If the Russians were anxious to see some tangible outcome from his visit, especially in the trade field, there might be some bargaining advantage in this action. A precise proposal now would ensure that discussions began on our terms and, if negotiations were not successful, failure could be attributed to the reluctance of the Soviet Union to discuss trade seriously. The proposal could either take the form of a detailed agreement covering all aspects of trade problems that might arise or, alternatively, it might consist of a brief memorandum of agreement, setting out a Soviet commitment to purchase a certain amount of wheat in Canada in exchange for a Canadian undertaking to extend to the U.S.S.R. the benefit of our m.f.n. tariff rates.

A detailed agreement would involve lengthy negotiations in which provision would have to be made for every kind of contingency. The results could either be unacceptable or not very meaningful as far as Canada was concerned. A simpler and shorter alternative would therefore appear to be preferable. In return for the U.S.S.R. agreeing to buy 500,000 tons of wheat for the next three years, Canada would extend m.f.n. rates of duty for this period. An agreement in this short form could, if the Russians wished, be concluded fairly quickly.

The Minister recommended that he be authorized to put forward, in advance of his trip, a proposal along the lines of the brief arrangement suggested, and that it be discussed in Moscow while he was there. If this proposal were unacceptable he might merely receive counter-suggestions for the consideration of the government later on. If it were felt desirable to seek a more detailed agreement from the outset, he felt he should discuss only the arrangements for subsequent negotiations and also be authorized to agree to any announcement at the end of his visit that conversations had been held with a view to negotiating, if possible, a trade agreement between the two governments.

18. During the discussion the following points emerged:

(a) There was no objection to informing the Soviet authorities informally, now, of the brief proposal concerning purchases of wheat in exchange for m.f.n. treatment. It might be possible to obtain some reaction to this suggestion before Mr. Pearson left for Moscow. However, no announcement should be made about it at the conclusion of the visit. It would be preferable not to make any kind of agreement, nor even initial a piece of paper while Mr. Pearson was in Moscow.

(b) The brief proposal did not appear to present any difficulties from the Canadian point of view. However, it might also include the same kind of arrangements that had been made with the Poles and the Czechs on valuation procedures.⁵⁶

(c) It would be surprising if the U.S.S.R. were to agree to buy \$35 million worth of wheat without much bargaining. It might suit their purposes, though, to accept such a proposal quite rapidly.

19. The Cabinet noted the report of the Secretary of State for External Affairs on a possible trade agreement with the U.S.S.R., and agreed:

(a) that the Department of External Affairs advise the Soviet Embassy in Ottawa, informally, that the government would be interested in a proposal involving the sale to Russia

⁵⁶ Voir/See Document 522.

of 500,000 tons of wheat over a three-year period in exchange for the extension of m.f.n. treatment, along the lines suggested; the Minister to report on developments, if any; and,

(b) that further consideration would be given to the matter if it appeared likely that any type of agreement could be reached during the Minister's visit to Moscow.

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541.

DEA/6226-A-40

*Note du chef de la Direction économique
pour le sous-secrétaire d'État aux Affaires extérieures*

*Memorandum from Head, Economic Division,
to Under-Secretary of State for External Affairs*

CONFIDENTIAL

[Ottawa], September 23, 1955

TRADE NEGOTIATIONS WITH THE USSR

In accordance with Mr. Pearson's instructions following the Cabinet meeting on Wednesday and in accordance with the arrangements which you had made with the Soviet Ambassador, I saw Mr. Lobatchev, Commercial Counsellor at the Soviet Embassy, this morning. I spoke to him on the following lines:

"1. In connection with your informal inquiry the other day I am now in a position to say that during his visit to the Soviet Union Mr. Pearson would be prepared to discuss trade relations, and the possibility of some kind of trade agreement, if the Soviet authorities so desire.

2. I am not able to make a specific proposal but in the light of the discussions which have taken place I can indicate the general lines of Mr. Pearson's approach towards any such discussions.

3. Any reactions from the Soviet authorities before Mr. Pearson leaves for Moscow to this kind of approach would, of course, be helpful as it would assist us to determine whether there were likely to be substantial trade discussions and might also possibly affect somewhat the composition of Mr. Pearson's party.

4. If something is to be worked out, or even if any progress is to be made, during the short time Mr. Pearson is in Moscow it would be desirable to have at least some advance indication of each other's views.

5. If the Soviet authorities show a desire to have a trade agreement, Mr. Pearson will doubtless indicate that, for our part, we would wish:

(a) an undertaking on the part of the Soviet Government to purchase from Canada 500,000 tons of wheat annually for each of the next three crop years (including the present) at the prices, and on the terms, at which the Wheat Board is making sales to its major customers when the Soviet purchases take place, and

(b) an indication of the intention of the Soviet Government to provide opportunities for sales of other Canadian products to the USSR on a commercial basis.

6. We are not in a position to know what the USSR would wish to secure over a similar period in such a trade arrangement. We assume that it would be some form of most-favoured-nation treatment, involving access to our m.f.n. tariff rates. Mr. Lobatchev will appreciate that there are valuation, exchange rate and other problems in connection with imports into Canada from a state trading economy. He will be familiar with the arrange-

ments which we have made with Czechoslovakia and Poland in connection with some of these problems.

7. We would be interested in knowing what the Soviet authorities might have in mind.

8. It is not possible at this stage to say whether any agreement would be a simple one or a fairly complex one.

9. It is also not possible to say whether something might be completed, or merely initiated, while Mr. Pearson is in Moscow."

2. From the questions which Mr. Lobatchev asked concerning my remarks it was clear that he had understood quite fully. He was not, of course, in a position to indicate whether our thinking was near to that of his people or likely to be acceptable to them. He undertook to report on our conversation and indicated that he would let us know as soon as he had any reactions or comments.

3. Mr. Lobatchev observed that we were no doubt familiar with the type of trade agreements which the USSR had made with various Western European countries which trade on a basis rather similar to ours. He noted that these agreements normally contain provisions covering the status in those countries of representatives of Soviet export and import organizations. He intimated that a provision on this subject would probably be suggested by the Soviet side in any negotiations on a trade agreement. He remarked that before he left Moscow, he had been told by Mr. Krotov of conversations which the latter had had with Mr. Norman Robertson in 1945 on the specific subject of USSR trade representatives in Canada. I said that I was not familiar with these earlier exchanges but that I would look them up. He could be sure that if trade talks did take place during Mr. Pearson's visit to Moscow, our Minister would be briefed for any discussions that might be necessary on this subject.

4. Mr. Lobatchev was interested in my passing remark concerning customs valuations and indicated that he would like to have a copy of our relevant laws and regulations to send back to Moscow for their information in order that they might take them into account in framing any proposal which they might make to us. I spoke at this point with Mr. Sim in National Revenue and he agreed to see Mr. Lobatchev and explain the position to him.

5. With reference to our suggestion that the Soviet authorities might give some indication of their intention to purchase various commodities other than wheat from Canada, Mr. Lobatchev asked whether we had any views on the Soviet products which were likely to find a market in Canada. I replied that I personally did not know what the prospects were. I recalled that in earlier conversations Mr. Lobatchev had spoken of the likelihood that Soviet sales in Canada could be increased considerably if they had the benefit of the most-favoured-nation tariff. It was difficult to forecast the potentialities without some indication of the kind of treatment which the USSR authorities would hope to secure and which we would be able to grant.

6. Mr. Lobatchev then enquired when we would expect discussions on details to take place if some agreement in principle were reached during Mr. Pearson's Moscow talks. He also asked whether we were to expect any such subsequent discussions to be held in Moscow or Ottawa. I merely noted that Mr. Pearson himself was not expected back in Ottawa until some time around mid-November. It might be possible to have certain discussions before Mr. Pearson's return (especially if a trade official had accompanied him to Moscow and had come back before him) but I thought it would probably be necessary to leave the scheduling of any such talks for discussion in Moscow while Mr. Pearson was there. Concerning the location I said that we had not considered this question. There were very few officials in Ottawa familiar with trade negotiations and it usually proved difficult for us to

staff such negotiations away from Ottawa. There might, however, be other considerations which would make it preferable to have such talks in Moscow rather than here. I was sure that this was a matter which could be settled while Mr. Pearson was in Moscow if it appeared desirable to have further talks subsequently.⁵⁷

A.E. RITCHIE

542.

DEA/6226-A-40

*Note du sous-secrétaire d'État aux Affaires extérieures
pour le secrétaire d'État aux Affaires extérieures*

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

SECRET

[Ottawa], September 30, 1955

SOVIET TRADE REPRESENTATIVES IN CANADA

1. In his conversation with Mr. Ritchie the other day, Mr. Lobatchev, the Commercial Counsellor of the Soviet Embassy, alluded to the possibility of appointing Soviet trade representatives in Canada in the event that a commercial agreement between Canada and the Soviet Union should be signed. While Mr. Lobatchev did not say so explicitly, it is fairly obvious that he had two things in mind — the status of trade representatives and their location.

2. The Russians have already indicated that they do not consider the granting of M.F.N. privileges any great bargain in return for their firm contract to buy specified quantities of wheat over a fixed period. Our reply is that M.F.N. treatment will open the Canadian market to them, and give them a real opportunity to increase sales in Canada and to increase dollar earnings. To this their logical rejoinder is that it would be very difficult for them to explore the Canadian market unless they could open commercial offices in major cities.

3. If a commercial agreement is concluded, we can expect to be under pretty strong pressure from the Russians to allow them to appoint a number of trade representatives. We can also expect that they will not be content to have these representatives attached as part of the Embassy staff in Ottawa, but will want to have some of them in at least one of the major cities — Montreal, Toronto, and possibly Winnipeg for grain purchases. They will point out with some validity that if they are to take seriously the increase of trade between Canada and the Soviet Union, they will have to have representatives in the major commercial centres. They will probably point to the example of certain other countries which have established trade offices in Toronto and Montreal, operating almost independently of the Embassies in Ottawa, very much in the manner of some of our trade offices abroad. They will say that it would be impossible to keep in touch with the commercial life of the country from Ottawa where commerce is less important. We know in our own minds that the opportunities for large-scale trade between the Soviet Union and Canada do not exist. The amount of trade which is likely to develop could be handled quite adequately by the Commercial Counsellor and his staff. But to say as much may be tantamount to throwing into

⁵⁷ Notes marginales :/Marginal notes:

Mr Ritchie—Minister has seen this & agrees with line you have taken. Mr. Pearson will discuss with Mr Howe question of Commerce advisors. J. L[éger]

Jim Grandy: Follow up on Trade Preparations with T & C, Consular et al with old files [A.E. Ritchie]

question openly our and their good faith in negotiating a trade agreement. In any event, it is no real counter to their expected contention that they are determined to try to build up trade.

4. The objections to the establishment of Soviet commercial offices outside Ottawa are pretty obvious. It can be taken for granted that they will be used as centres for espionage and of subversive contact with Canadian Communists. They will also be used as propaganda centres, and for a certain amount of encouragement and missionary work in the over activities of the L[abour].P[rogressive].P[arty].⁵⁸ and Canadian-Soviet "cultural" societies and front organizations. Both the Canadian and the Australian Royal Commission reports on espionage emphasize the importance of consulates and commercial offices in espionage activities,⁵⁹ and we have no reason to believe that this pattern has changed. They will engage in trade work also in order to maintain the facade, but it would be naive to think that trade promotion would be the only role or would necessarily comprise the major part of their work.

5. If we accept, as we must, the premise that trade representatives will be engaged in subversive activities, we must also accept the obligation of supervising these activities as fully as possible and, of course, of frustrating them as much as possible. But we must realize that supervision will impose an additional and a great strain on the Special Branch of the RCMP in a field where that Force feels it is already extended to the limit, given its present budget and recruiting. The whole problem, affecting as it does other departments and agencies besides our own, will presumably have to be considered at some stage by Cabinet.

6. The status of trade representatives is a lesser though a related problem. If we were able to keep the commercial activities centred in and confined to the office of the Commercial Counsellor, then the trade representatives would form part of the Ambassador's staff, and the job of supervision would still be manageable. If commercial offices were to be established outside Ottawa, virtually the only way of coping with supervision would be to consider them branch offices of the Embassy and bring their staffs under the travel regulations.⁶⁰ To impose the travel regulations on offices outside Ottawa would be extremely difficult and even with travel regulations the extra supervision would impose a severe strain on the R.C.M.P. Without travel regulations, it would be difficult to see how the R.C.M.P. could exercise effective surveillance. As there are many complicated details, both supervisory and legal, to be worked out, I do not think we should make any firm commitments at this stage as to what we would and would not do on the question of status. If the Russians raise it, you may prefer to give a non-committal answer and say that you can have your officials look into it.

⁵⁸ Nom utilisé par le Parti communiste du Canada.
Name used by the Communist Party of Canada.

⁵⁹ Voir Canada, *Le Rapport de la Commission Royale, pour Enquêter sur les Faits intéressants et les Circonstances Entourant la Communication, par des Fonctionnaires publics et autres Personnes Occupant des Postes de Confiance, de renseignements secrets et confidentiels aux agents d'une puissance étrangère*, Ottawa: Imprimeur du Roi, 1946, et Australie, *Report of the Royal Commission on Espionage*, Sydney: Government Printer for New South Wales, 1955.

See Canada, *The Report of the Royal Commission to Investigate the Facts Relating to and the Circumstances Surrounding the Communication, by Public Officials and Other Persons in Positions of Trust of Secret and Confidential Information to Agents of a Foreign Power*, Ottawa: King's Printer, 1946 and Australia, *Report of the Royal Commission on Espionage*, Sydney: Government Printer for New South Wales, 1955.

⁶⁰ Voir/See Volume 20, Document 694.

7. The Soviet object in pushing for a trade agreement with Canada at this time is probably more political than economic. They must know, as do we, that there is little prospect of large-scale trade between our two countries. The value to Canada of a trade agreement is primarily the sale of wheat. Additional sales of other products will probably not be very important. From the Soviet point of view, however, it suits them to enter into a trade agreement with us in order to further the impression of the establishment of more normal relations with non-Communist countries. They would also consider as a major advantage the establishment of trade representatives outside of Ottawa with the consequent opportunities for espionage. We have to balance off sales of wheat and our own desire for more normal relations against increased opportunities for Soviet espionage and Soviet propaganda in Canada.

8. We might insist on the principle of reciprocity in the opening of commercial offices, but we would not be on very firm practical ground. They would probably say that their commercial activity *is* centred in Moscow, which would be the logical place for us to have trade representatives; whereas ours is scattered and demands their posting of trade representatives in major centres. And of course we have no present intention of extending our operations in the Soviet Union beyond the Embassy in Moscow.

9. We would prefer not have the Soviet commercial offices outside of Ottawa for the same reasons that we do not want them to establish a consulate in Winnipeg or Toronto. This latter suggestion has been broached informally more than once and we have been able to turn it down fairly easily. It would be much more difficult to turn down a request for commercial offices if the commercial agreement goes through. Admittedly the Poles and the Czechs do have offices outside Ottawa (Winnipeg and Montreal respectively), but these have been established continuously since before the war; and in any event we do not consider Polish and Czech intelligence operations as dangerous as the Soviet counterpart.

10. I think, however, that we should resist strongly any proposal that permission to establish separate commercial offices form an integral part of the agreement. If the Russians should put it as bluntly as "no separate commercial offices, no wheat purchases," you will, I imagine, prefer to say that you are not prepared to give a decision in Moscow, and that you will wish to consult your Cabinet colleagues upon your return. It would be rather difficult at this stage, when our willingness to consider a commercial agreement has been indicated to the Russians, to have to refuse to negotiate further because of our objections to commercial offices outside Ottawa. But my suspicions as to Soviet motives would only be confirmed by a strong insistence on their part that they be permitted to open separate commercial offices. In any event, we should face the fact that the pressure to establish commercial offices will be great and that once established they will present serious problems for our counter-espionage forces and problems of propaganda which may become increasingly troublesome as the soft period continues.

J. L[ÉGER]

543.

DEA/6226-A-40

*Compte-rendu de la réunion Canada-Union soviétique
sur les pourparlers concernant le commerce
Record of Canada-Soviet Union Trade Talks*

[PREMIÈRE PARTIE/PART I]

[Moscow], October 7, 1955

Present for Canada

Hon. L.B. Pearson, Secretary of State for External Affairs
Mr. M.W. Sharp, Associate Deputy Minister of Trade and Commerce
Mr. J.B.C. Watkins, Canadian Ambassador in U.S.S.R.
Mr. G. Ignatieff.

Present for U.S.S.R.

Hon. I.G. Kabanov, Minister of Foreign Trade
Mr. S.A. Borisov, Deputy Minister of Foreign Trade
Mr. N.I. Cheklin, Chief of the Division of Trade
with Western Countries, Ministry of Foreign Trade
Mr. A.I. Lobatchev, Commercial Counsellor
Mr. D.S. Chuvakhin, Soviet Ambassador in Canada.

Mr. Pearson opened the discussion. He said he welcomed the opportunity to visit the U.S.S.R. not only to have political discussions but also to raise certain matters of mutual interest to Canada and the Soviet Union relating to trade. Mr. Kabanov said that the Soviet Government considered the two questions, trade and political matters, as interrelated and progress in one would help progress in the other.

Mr. Pearson agreed that there could not be much progress in trade, unless there was mutual confidence. It had to be borne in mind that the two countries had different systems of trade, but he hoped that these differences would not prove too serious an obstacle to the development of trade. Mr. Kabanov said that with goodwill on both sides it was possible to develop trade; the Soviet Union had reciprocal trade agreements with such countries as France, the United Kingdom and the Argentine, all of whom had trading systems different from that of the Soviet Union.

Mr. Pearson said Canada, though large in area and small in population, produced a surplus of certain commodities available for export. We were, therefore, vitally concerned with trade and only New Zealand had a larger per capita of trade. Mr. Pearson went on to say that he had with him Mr. Mitchell Sharp, Associate Deputy Minister of Trade and Commerce, and that if preliminary talks indicated that it would be possible to establish a basis for an agreement, Mr. Sharp would be available to follow up the discussion in greater detail.

Mr. Kabanov said that if trade were to develop successfully between the Soviet Union and Canada, it would be necessary to have a trade agreement designed to foster trade. It was from this point of view that the Soviet Government was interested in discussing the question of a trade agreement with Canada. He said that the Soviet Union had trade with certain countries with whom they did not have trade agreements, but that agreements helped to organize trade better. He suggested that progress might be made by discussing particular commodities and quantities which might be available to trade.

Mr. Pearson suggested that he would not be long enough in Moscow to enter too much into the details of a possible trade agreement, but, if preliminary exchanges of view indicated the basis of a possible agreement, more detailed discussions might follow later. Mr. Kabanov agreed.

At the suggestion of Mr. Pearson, Mr. Sharp then outlined the types of trade agreements usually entered into by Canada. Mr. Sharp said that Canada had trade agreements with most of the countries of the world; the U.S.S.R. was one of the few important countries that was an exception. These agreements took the form of granting most-favoured-nation treatment on a reciprocal basis. This meant that goods entering Canada from a foreign country with which Canada had an agreement, would be on equal terms with those of any other country with whom Canada had an agreement. Canada does not enter into clearing agreements nor into agreements covering specific commodities. Mr. Kabanov said that it would be helpful to have a draft of standard Canadian trade agreements. He said that it was not essential to have a clearing agreement.

Mr. Pearson recalled that in 1939 there had been negotiations between Canada and Soviet officials on a trade agreement which, because of the war, had not come into effect. He suggested that this might indicate in very general terms the kind of agreement which would be satisfactory from a Canadian standpoint for the purpose of these exploratory talks.

Mr. Kabanov said that he was not familiar with these negotiations but would be glad to examine the record which was no doubt on his Ministry's files.

Mr. Pearson said that the essential element of the 1939 agreement was that Soviet goods were accorded m.f.n. treatment in Canada and that the Soviet Union agreed to make certain purchases in Canada over a period of three years.

Mr. Kabanov said that he presumed that such an agreement was on the basis of reciprocity. Mr. Pearson said: not quite, because trading conditions in the two countries were not equivalent; all trade in the Soviet Union was to and by the Government, whereas in Canada foreign traders had competitive access to the Canadian market. For this reason a trade agreement with the Soviet Union from the Canadian viewpoint would have to include an undertaking by the Soviet Union to make certain Government purchases for a period of years, since all trade in the Soviet Union was controlled by the Government.

Mr. Kabanov asked whether this agreement constituted a trade agreement in the strict sense, or was it just an exchange of letters covering an isolated deal.

Mr. Pearson offered to show Mr. Kabanov a copy of the 1939 draft text which he had with him and read out the more important paragraphs.

Mr. Kabanov asked whether the prices referred to in the 1939 agreement were on the basis of current gold prices. The Minister replied that it was on the basis of current world prices and that the Soviet Union would not be expected to pay more than other nations trading with Canada. As far as quantities were concerned, the Minister noticed that production in Canada had increased several times since 1939 and that the quantities in any trade agreement would presumably have to be proportionately greater. Mr. Kabanov then raised the question of the control over the export of strategic materials, asking whether Canada intended to restrict the export of certain commodities.

Mr. Pearson replied that he would not wish to mislead the Minister: that there were certain strategic commodities which were in short supply, as they were required for defence purposes not only for Canada but for its allies. This list, however, should not be regarded as permanently frozen. As world conditions improved, presumably the controls might be relaxed. Mr. Kabanov replied that the U.S.S.R. in its trading, did not draw a

distinction between strategic and non-strategic materials, nor did it practise discrimination. He mentioned the export of manganese to support this claim. Mr. Pearson replied that there could be no question of negotiation between the Soviet Union and Canada alone on this matter of strategic exports under present circumstances. The availability of certain materials was dictated by the fact of their being in short supply. As world conditions improved, materials presently required for defence purposes might be released for international trade. Mr. Kabanov asked whether Canada was short of supplies of copper and wheat or nickel. He suggested that Canadian defence requirements seemed to be larger than those of the Soviet Union in certain strategic commodities.

The Minister recalled that Canada had had certain nickel deposits in Petsamo which are now being used to supply the U.S.S.R. with nickel. The Minister asked whether the U.S.S.R. had all the uranium they needed. Mr. Kabanov said the Soviet Union had all the strategic materials they wanted and were free to sell all that they wanted to sell. He said that the Soviet Union had all the uranium they needed, but if they needed any more they were quite prepared to buy it.

Turning to wheat, the Minister said that Canada produced certain special hard varieties of wheat and that the Soviet Union might find it advantageous to buy Canadian wheat, especially if it were shipped from the West Coast to the far Soviet regions.

Mr. Kabanov said that he was prepared to examine the question of the sale of wheat but wheat should not be the only article to enter into trade between Canada and the Soviet Union. Mr. Pearson said that wheat was an important strategic commodity since it made people strong. Mr. Kabanov countered the remark (following Mr. Pearson's train of thought) — "Why didn't Canada add nickel and copper to its list of goods available for export?"

Mr. Pearson then suggested that perhaps the most fruitful subject for discussion might be the kind of agreement which would be mutually beneficial to both countries. Mr. Kabanov said that he would examine the text of the 1939 draft trade agreement and then might be in a position to have more detailed discussions. He asked again whether it would not be possible to discuss particular commodities which Canada would be prepared to buy and sell, without reference perhaps at this stage to quantities, so that he could form a clear impression of what kind of goods would be involved if trade between Canada and the Soviet Union were to develop. Mr. Pearson said that Mr. Sharp would be available to discuss further details while he was away on a visit to Leningrad over the week-end. Mr. Kabanov emphasized that the Soviet Union would be prepared to trade only on equal terms and on the basis of reciprocity.

Mr. Pearson said that he realized fully that no trade agreement would be satisfactory unless it was on the basis of reciprocity, but that both sides would have to take into account the difference in trading methods which would inevitably give rise to certain problems in negotiating a trade agreement between Canada and the Soviet Union. Mr. Kabanov said that there was no point in discussing the systems of trade, which he recognized were different; it would be more profitable to discuss conditions of trade or the principles which should govern trade under the terms of a possible trade agreement.

Mr. Pearson mentioned that Canada had trade agreements with certain countries which carried on trade through State-controlled agencies, namely, Czechoslovakia and Poland. Mr. Sharp added that these trade agreements had been in effect before the changes of Government in those countries and that the trade agreements would have been different if negotiated subsequent to the changes of Government. Mr. Kabanov said he was not familiar with these agreements. Mr. Pearson suggested that he might wish to look into these

agreements and bear them in mind. In conclusion, it was agreed that a further meeting would take place at 4:00 p.m. between Mr. Sharp and Mr. Kabanov. Mr. Kabanov said that it might be possible to have the text of an agreement ready for the Minister to sign on his return from Leningrad. The Minister replied that if Mr. Sharp and Mr. Kabanov were able to draw up an agreement over the week-end, that would be the quickest trade agreement that Canada had ever concluded. Mr. Kabanov said that for the Soviet part they were quite prepared to go ahead and sign if this were agreeable to Mr. Pearson. Mr. Pearson replied that he was quite prepared to do his best, but that he wanted it clearly understood that any document which emerged from the talks in Moscow would have to be referred to the Prime Minister and the Cabinet in Canada.

[PARTIE II/PART II]

[Moscow], October 7, 1955

Present for Canada

Mr. M.W. Sharp, Associate Deputy Minister of Trade and Commerce
Mr. G. Ignatieff.

Present for U.S.S.R.

Hon. I.G. Kabanov, Minister of Foreign Trade
Mr. S.A. Borisov, Deputy Minister of Foreign Trade
Mr. A.I. Lobatchev, Commercial Counsellor.

Mr. Kabanov said that he had read the text of the 1939 draft trade agreement but that, in his view, this document belonged to the past and could have little reference to the current negotiations. He recalled that Mr. Pearson had indicated that the terms of the 1939 draft trade agreement would not be entirely applicable to the current negotiations. He asked Mr. Sharp what the Canadian Government had to offer specifically.

Mr. Sharp said that what Canada had to offer was equal treatment to the U.S.S.R. as compared to other countries trading with Canada. Because of the differences in the trading systems and the nature of the Soviet economy, it was not possible to apply the principle of reciprocity quite literally. Most-favoured-nation treatment, therefore, did not constitute strict equality in the terms of trade between Canada and the Soviet Union, but it did offer the Soviet Union comparable treatment in relation to other foreign countries trading with Canada. On this basis, the question to be negotiated was what price might be appropriate for the U.S.S.R. to pay in return for this concession.

Mr. Kabanov replied by asking what concession was involved in the Canadian offer. He said, "We do not need concessions — we only want to sell and buy goods on the same conditions as we do with other countries we trade with, and we want to see Soviet vessels go to Canada and enjoy the same rights as the Canadian vessels going to Soviet ports. We do not want any concessions, nor do we want to grant concessions. All we want to do is trade on the basis of mutual advantage."

Mr. Sharp replied that Canada was prepared to grant to the U.S.S.R. exactly the same trading privileges as to other countries enjoying m.f.n. treatment. It was for the U.S.S.R. to decide what value to attach to this offer, which would represent a concession on the Canadian side.

Mr. Kabanov asked whether it was possible for Canada to trade with the U.S.S.R. on any basis other than that of most-favoured-nation treatment. Mr. Sharp replied that Canada had trade agreements with most countries and that what Canada was offering was the spe-

cific concession that Canada would trade with the U.S.S.R. on terms comparable to those accorded to other countries with which Canada had trade agreements. He added that Canada had special arrangements with the countries of the Commonwealth.

Mr. Kabanov said that the Soviet Union would not expect to be included in this preference and that he was quite aware of certain ties which Canada had with the Commonwealth, but added: "In principle, we are for free trade".

Mr. Sharp said that looking at the trade possibilities between Canada and the Soviet Union as a whole, it would seem to him to represent a fair price if in exchange for m.f.n. treatment with the Soviet Union, the Soviet Government would be prepared to purchase a certain quantity of wheat. He recalled that Mr. Ritchie had spoken to Mr. Lobatchev about this and that 500,000 tons a year had been mentioned. Mr. Kabanov said that this was only one item that might be covered in a trade agreement. If the agreement were to be limited to the sale of wheat, this would be "barter, not trade". He was thinking in terms of having the agreement cover a wide range of goods which might be bought in Canada or sold to Canada. He, for his part, was prepared to consider a wide range of commodities and to discuss quantities. As for wheat, he did not exclude the possibility of the purchase of wheat. For example, the Soviet Union might be willing to buy between 300 and 500 thousand tons of wheat in Canada in the first year for shipment to the Soviet far eastern provinces. He would be quite prepared to conclude a contract forthwith and instruct the Soviet trading organization to conclude arrangements, even before Mr. Sharp returned to Ottawa. But what he wanted to discuss with Mr. Sharp was not just one simple transaction, but the whole question of policy which was to govern reciprocal trade between the Soviet Union and Canada. He said that one transaction did not require a whole trade agreement.

Mr. Sharp said that Canada hoped that trade might be developed to include a number of commodities, but in concluding a trade agreement, the Canadian Government felt that in order to equalize mutual benefits, it was necessary to have an agreement for the State purchase of a specific quantity of wheat. Mr. Kabanov professed that he could not understand this approach. Mr. Sharp explained that while the Soviet Union was free to sell Soviet goods on a competitive basis on the Canadian market, they were, under the present circumstances, subject to taxes under the general tariff. What the Soviet Union was being offered was a reduction or removal of these taxes, so that the Soviet Union would be in a better competitive position to sell its goods on the Canadian market. Because of the State control of trade in the Soviet Union, the possibilities of Canadian sales depended on the willingness of the Soviet Government to make specific purchases. It was for this reason that the question of the wheat sale was being raised in order to establish a reasonable *quid pro quo* for the contemplated trade agreement.

Mr. Kabanov said that the Soviet Union does its trading at prevailing world market prices. If Canada proposed to mark up the price of Soviet goods on the Canadian market by adding certain taxes, that was its own business. To offer to reduce or to remove such taxes did not, in his view, constitute a concession since the Soviet Union did not tax commodities imported from abroad in this way. When Mr. Sharp tried to explain how the impact of the general Canadian tariff affected the competitive position of specific commodities such as caracul fur, Mr. Kabanov said that "We are not interested in the profits of the Canadian Government, nor how the Canadian Government makes profits from its foreign trade". Mr. Sharp replied that surely the Soviet Government was concerned with the discriminatory effect of the Canadian tariff and the offer was being made to remove this discrimination.

Mr. Kabanov said that he would like to express himself quite frankly. It was for the Canadian Government to decide whether to impose taxes on foreign trade or not, and it

was for the Canadian Government to judge what benefits it derived from its tariffs. This was no concern of the Soviet Government. For their part, they did not apply such discrimination in their trade.

Mr. Sharp went on to explain the history of the Canadian tariff structure. Mr. Kabanov said that the Soviet Union was a new country which had changed its old and — what it regarded as — its bad laws. He said that he was not interested in the history of Canadian legislation on this matter and thought the Soviet laws were better. The Soviet legislation had no such discriminatory laws applying to trade and if Canada now proposed to reduce taxes on goods imported from the Soviet Union, they were only offering to bring their own legislation more into line with Soviet practice. He concluded his remarks with — “You want to do what the Soviet Government has been doing all along and then want the Soviet Government to pay for it”.

Mr. Sharp said that he was not suggesting that one Government or the other should change its system or its laws but was explaining the trading position in terms of Canadian legislation. He asked Mr. Kabanov to realize that because of the difference in trading systems, certain special problems arose in negotiating a trade agreement between the Soviet Union and Canada, which he had tried to explain.

Mr. Kabanov said that the offer of most-favoured-nation treatment did not extend to the sale of certain strategic items, which apparently were to be made available to the United States but not to the Soviet Union. Was it worthwhile discussing m.f.n. rights in view of that fact, he asked. Mr. Sharp said that Mr. Pearson had already explained that Canada would have to reserve its right to control the sale of certain strategic commodities, but that the situation was not frozen and as international conditions improved these controls might be relaxed.

Mr. Kabanov then suggested that the discussion might turn to the form of a possible agreement and what might be its content. Mr. Sharp recalled that Mr. Ritchie had given an outline of a possible trade agreement to Mr. Lobatchev in Ottawa. Canada could only enter into one kind of trade agreement, i.e. one which would give the Soviet Union access to its markets on comparably equal terms with other trading nations. Canada could not undertake to buy specific commodities except a very limited category of goods, since trading was not State controlled. Mr. Kabanov said he understood that the Soviet Government would not be selling to the Canadian Government, but to Canadian firms and that similarly Soviet trading companies would buy Canadian goods in the Canadian market.

Turning again to the question of what commodities would be covered by the trade agreement, Mr. Kabanov said that from the Soviet point of view the trade agreement would cover all goods which they were interested in buying and selling. When Mr. Sharp recalled again the restriction on the export of strategic commodities, Mr. Kabanov said that the Soviet Union was interested in trade on an equal footing but since it seemed impossible; “we can only live in hope”, he said, he said. Mr. Sharp said that he would share this hope particularly if international relations were to improve. Mr. Kabanov said that they had improved, but that this improvement had not been reflected in the relaxation of controls over trade in strategic commodities. He said that for his part, he did not indulge in sophistry. Some countries seemed so frightened that they were not willing to relax strategic controls. He preferred to believe in the future development of mutual good faith which would open the way to a better life for all nations. Mr. Sharp replied that he was sure Mr. Kabanov was just as familiar with the operations of strategic controls as he was. Mr. Kabanov replied that he was flattered by Mr. Sharp’s assessment of his knowledge and admitted that he tried to find out as much as he could about the operation of strategic controls and added:

— “We have done all we can to relax these restrictions and have introduced many proposals, but the strategic restrictions still remain because the West has been too frightened”.

Mr. Sharp asked what Mr. Kabanov then proposed to discuss. For his part, he was prepared to discuss the principal contents of a possible trade agreement rather than specific items. For instance, on the Canadian side the offer might include the undertaking to give the U.S.S.R. the same position with regard to the Canadian tariff as it granted to other trading countries; on the Soviet side, Canada would expect a definite undertaking to purchase certain quantities of wheat.

Mr. Kabanov pointed out that the offer of m.f.n. treatment was rather an indefinite one and for an unspecified number of years, while the sale of wheat was specific and over a given period. He repeated that the Soviet Union would be prepared to buy between 300 to 500 thousand tons of wheat during the first year of the trade agreement, and that he would be prepared to have this transaction based on a verbal understanding or in writing as Mr. Sharp preferred. This would represent proof that as far as the Soviet Union was concerned trade between Canada and the Soviet Union had got under way.

Mr. Sharp asked Mr. Kabanov what he had in mind as to the possible content of the trade agreement. Mr. Kabanov replied that they wished to set out certain principles which, in the Soviet view, should govern trade between the two countries. These would include

- (a) Reciprocal extension of m.f.n. treatment concerning duties and taxes;
- (b) Reciprocal treatment in shipping and navigation;
- (c) A clause by which each Government would undertake to facilitate the development of foreign trade.

Mr. Sharp said that he wasn't quite clear as to what the reference to shipping might imply, but that the Canadian Government did not subsidize its merchant shipping, and because of the difficulty of competitive wage levels the number of Canadian merchant ships had been substantially reduced. Mr. Kabanov said that the Soviet Union might be willing to buy ships in Canada. The principles which he had set up were regarded from the Soviet side as the framework around which an agreement might be negotiated. He did not attach particular importance to exactly what form such an agreement might take. It might take the form of an exchange of letters or a formal agreement. Mr. Kabanov said that he was quite prepared to submit a draft which Mr. Sharp might have ready for Mr. Pearson on his return from Leningrad. Mr. Sharp said that it would be necessary to refer any draft back to Ottawa. Mr. Kabanov said that the important thing was to agree on principles. Once these were agreed on, it should be easy enough to work out the details. Mr. Sharp said he appreciated the desire for speed, but that the details of any agreement were just as important as any principles. He doubted whether it was possible to work out an agreement before Mr. Pearson and the rest of the party left the U.S.S.R. He said that he would not like to see an agreement in principle followed by a misunderstanding as to details. Mr. Sharp also added that he hoped that no announcement would be made until all details had been settled and an agreement signed. Mr. Kabanov concurred, and offered to make the draft of a proposed trade agreement available by noon the next day (Oct. 8th).

(Mr. Lobatchev called at the Canadian Embassy, Moscow, on Saturday, October 8th and gave Mr. Sharp the translation, as well as the Russian text, of a draft of the proposed trade agreement which was transmitted from the Embassy in Moscow to External Affairs, Ottawa (Telegram No. 206† on October 8th.)

[PARTIE III/PART III]

[Moscow], October 10, 1955

Present for Canada

Mr. M.W. Sharp, Associate Deputy Minister of Trade and Commerce
Mr. G. Ignatieff.

Present for U.S.S.R.

Hon. I.G. Kabanov, Minister of Foreign Trade
Mr. N.I. Cheklin, Chief of the Division of Trade
with Western Countries, Ministry of Foreign Trade
Mr. K. Bahtope
Mr. A.I. Lobatchev, Commercial Counsellor.

Mr. Sharp, on opening the discussion, thanked Mr. Kabanov for the draft and said that it was a useful basis for further preliminary discussion. He had read it and telegraphed it to Ottawa. It was clear to the Canadian delegation that it would be necessary to give the draft detailed study and to offer counter-proposals. This would not be possible before leaving Moscow. Before returning to Ottawa, however, he would like to make certain preliminary comments having in mind that the negotiations would have to be resumed either in Ottawa, or if the Soviet Government preferred, in Moscow. Mr. Kabanov said that as far as he was concerned he was quite willing to have the negotiations resumed in Ottawa. Mr. Sharp said that from a Canadian standpoint, it would be preferable to have further talks in Ottawa, as the group of experts which would be concerned in the talks would be more readily available in Ottawa than in Moscow. Mr. Kabanov said that he would be happy to have the talks in Ottawa and that the agreement which would emerge would be equally valid in Ottawa as in Moscow.

Mr. Sharp said that there were a number of clauses in the Soviet draft which were not too clear to him. He would, therefore, prefer not to make detailed comment at this time. Paragraphs 4, 5 and 6 of the Soviet draft, in particular, would require clarification. The clause dealing with navigation was unusual from a Canadian standpoint, but not necessarily unacceptable for that reason. Mr. Sharp said that in any further negotiations there were certain standard clauses which the Canadian Government for its part would wish to include in a trade agreement. Thus, for instance, it would be necessary from a Canadian point of view to include a security clause which would give the Canadian Government authority to apply strategic controls. Mr. Sharp referred to the 1939 draft and pointed out that such a clause had been included in that draft. Mr. Kabanov said that such a clause did not have any practical consequence as far as the Soviet Union was concerned, as they did not intend buying munitions from Canada. If the Canadian Government thought it necessary to include such a clause, he would be prepared to discuss it. Mr. Sharp explained that such a clause had been included in all other trade agreements which Canada had negotiated under the terms of GATT. Thus, such a clause if included in an agreement with the Soviet Union would not be exceptional.

Mr. Sharp next referred to the inclusion of an understanding about dumping. He said that in the agreement which Canada had concluded recently with Japan, there was an exchange of letters preserving certain rights relating to the evaluation of goods to prevent any injuries to Canadian industries from cheap imports. Mr. Sharp explained that the danger of cheap exports from Japan constituted a general problem and that this problem need not necessarily arise between Canada and the Soviet Union, but the inclusion of such an understanding would help to make a possible trade agreement more acceptable to Canada.

Mr. Kabanov asked whether he understood correctly that the goods referred to were being sold at prices lower than world market prices. If so, the Soviet Union did not conduct trade on that basis and only sold at world market prices.

Mr. Sharp said that we would not want to have such a clause in the trade agreement itself, but that there should be a supplementary understanding by an exchange of letters. Mr. Kabanov said that it might be possible to stipulate in an exchange of letters that trade between the two countries would be carried on at world market prices both ways, and he would be willing to discuss such a possibility.

Thirdly, Mr. Sharp referred to the possible duration of the trade agreement. The Soviet draft had suggested a five year term. The normal term for trade agreements negotiated by Canada was one year, but such agreements were automatically renewed unless denounced. Mr. Sharp said that he did not know whether the Canadian Government would insist on a one year term, but that they were unlikely to accept a five year term. The question of the duration of the trade agreement would inevitably be tied to the duration of the wheat contract. Mr. Kabanov had mentioned a purchase of 300 to 500 thousand tons of wheat but nothing had been said about the possible duration of the contract or any further purchases. The Canadian Government in considering the possible duration of the trade agreement would have in mind the prospect of continuing sales of substantial quantities of wheat, say for a period of three years. It might be possible to work out a contract which would strike an average as to the quantities sold in any given year, but that the Canadian Government would like to have more assurance as to the duration of the contract.

Mr. Kabanov said the Soviet Government had no fixed views on the duration of the trade agreement. Their trade agreements normally were for five years, but he recognized that the prospects for trade depended upon a variety of political as well as economic conditions. As to the wheat sales, Mr. Kabanov said: "When we sign a trade agreement — assuming we sign in Ottawa — our government foreign trading organization will concurrently sign a contract for 1956 — we do not know exactly for what amount — I said between 300 and 500 thousand tons but let us say for 400 thousand tons. As to further purchases of wheat, I do not see any difficulties — I just said we need the purchases for our Far Eastern regions, such purchases will be useful in 1956-57-58, indeed, indefinitely. If you want to specify three years, I do not anticipate any difficulty. If you had been willing to sign the agreement in Moscow, we could have signed the contract here and now.

Mr. Kabanov then asked if there were any other matters Mr. Sharp wished to raise. Mr. Sharp said that there was one other matter which was not directly concerned with the trade agreement — that was the possibility of exploring the negotiation of an air transport agreement. Mr. Kabanov said that this was not within his responsibility, but came under the Ministry of Foreign Affairs. He suggested that this question might be raised with the Minister of Foreign Affairs during Mr. Sharp's visit to Moscow, or could be taken up when the Soviet delegation came to Ottawa.

Mr. Sharp also raised the question of the rouble exchange rate pointing out that this was of concern not only in trade, but also in tourism. Mr. Kabanov said that he did not see how this could give rise to difficulties in practise. In trade, the Soviet Union intended to pay dollars at prevailing world market prices. As for tourism, special rates were available to tourists providing a variety of alternative choices to fit different pocket-books.

Finally, referring to the next step in resuming the trade talks, Mr. Kabanov said that the Soviet delegation would be prepared to come to Ottawa at any time convenient to the Canadian authorities. Mr. Sharp said that he would notify the Soviet authorities as soon as

the Canadian authorities were ready for the resumption of talks. Mr. Kabanov said that the Soviet delegation would be prepared to come at any time, at two or three weeks notice.

544.

DEA/6226-A-40

*Note du sous-secrétaire d'État aux Affaires extérieures
pour le secrétaire d'État aux Affaires extérieures*

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

SECRET

[Ottawa], November 30, 1955

PROPOSED TRADE AGREEMENT WITH USSR

Attached is a copy of our Note No. E-40† which was given to the Soviet Commercial Counsellor, Mr. Lobatchev, on November 1. Attached to it is a draft Trade Agreement, † together with two proposed exchanges of Notes † which might be signed at the same time as the Agreement. These were prepared in interdepartmental meetings, and in your absence Mr. Howe and Mr. Harris agreed that they might be submitted to the Soviet Embassy as a basis for further negotiations.

2. Since then Mr. Lobatchev has had two meetings with the Canadian officials concerned and has given them a number of comments on these proposals. I think you will be interested in some of his points:

(a) *Shipping.* Mr. Lobatchev has made it clear that the Soviet authorities attach some importance to their proposal that a most-favoured-nation navigation clause be included. This raises a number of difficulties for us. In the first place the National Harbours Board charges higher harbour dues for ships registered outside North America. This discrimination appears to be inconsistent with the provisions of a number of existing treaties governing navigation by which we are bound, but this hardly makes it any easier to accept an undertaking vis-à-vis the USSR which we would be violating right from the start. We are looking into this question of harbour dues to find out the purpose of the existing discrimination. It may be that it will be found possible to eliminate it. The other principal difficulty in this field is the undesirability of guaranteeing to Soviet ships access to the Great Lakes on a most-favoured-nation basis. If we found that we could offer them non-discrimination in ocean ports, it might be possible to draft an article which the USSR could accept in such a way as to avoid any commitment about the Great Lakes or the St. Lawrence Seaway above Montreal.

(b) *Arbitration and Status of Juridical Persons.* Mr. Lobatchev also commented on the omission in our draft of anything along the lines of the articles in the Soviet draft providing for arbitration in trade matters and setting out the status and rights of legal persons in either country. We explained that we did not necessarily rule these out but that we did not understand just what effect they would have. We are still studying these articles but our present belief is that, as some of these questions come under provincial jurisdiction, there would be constitutional difficulty about accepting them.

(c) *Article III—Balance of Payments Escape Clause.* Mr. Lobatchev did not like the clause which would permit us to discriminate against the USSR to safeguard the balance of payments. In reply we have pointed out to him that the GATT makes provisions for discrimination on this ground in certain circumstances and that we cannot offer the USSR treatment more favourable than that accorded to the members of GATT.

(d) *Article IV—State Trading*. Mr. Lobatchev found this article rather unusual and could see no need for it. We pointed out that it was based upon a similar article in the GATT. We also explained that while Article I bound Canada not to discriminate against the USSR in tariff matters, Article I did not represent much of a commitment on the part of the USSR. The proposed Article IV would give Canada the promise of most-favoured-nation treatment by the Soviet state trading agencies.

(e) *Article V—Security Escape Clause*. Mr. Lobatchev thought our suggested article was much too broad and was doubtful that the Soviet Government could accept it in this form.

(f) *Article VII—Entry into Force, Termination, etc.* Mr. Lobatchev thought it would be much better to have the Agreement renewed automatically each year after the initial three years, unless either party gave to the other notice of intention to terminate. We indicated that this question was related to the question of the Soviet undertaking to purchase wheat; it was doubtful whether the Canadian Government would be able to justify the continuation of the most-favoured-nation Trade Agreement with the USSR if Soviet wheat purchases came to an end after three years. At the same time the Soviet Government would hardly wish to undertake to buy wheat in such quantities for the indefinite future, and Canada itself might not wish such a commitment to be unlimited in time. It was true that under the Soviet proposal the Agreement could be terminated if either party gave notice but there were political difficulties about denouncing treaties. We suggested to Mr. Lobatchev that the Soviet authorities should consider very carefully which proposal would really be better from their own point of view.

(g) Finally, Mr. Lobatchev questioned the need for the proposed exchange of Notes on valuation for duty. He found these difficult to understand and thought them unnecessary. We pointed out that the first part of the draft Canadian Note was purely informative and was not therefore essential in the context of the Agreement itself. The second part, however, was an escape clause to protect Canadian producers against serious injury or threats of serious injury arising as a result of the Canadian obligations in this Agreement. There was an article in the GATT to meet similar situations and there would have to be some such provision in our Agreement with the USSR. We offered to consider putting such provisions into the Agreement itself, thus avoiding any need for this exchange of Notes.

3. We also omitted from our draft Agreement the articles suggested by the USSR on the exchange of experience and the promotion of trade. This was not necessarily meant to be a firm stand on our part but Mr. Lobatchev made no comment on the omission. Nor did he comment on the draft exchange of Notes embodying the Russian undertaking to purchase wheat.⁶¹

4. It is not clear yet whether a Soviet delegation will be sent to Ottawa or whether Mr. Lobatchev will be authorized to conduct the negotiations on behalf of the USSR. We have intimated that we can hardly agree to changes in the present draft in the course of our conversations with him unless he is empowered to negotiate on behalf of the USSR. We made it clear that we would be perfectly happy to negotiate with him but thought we should know whether or not he was in a position to negotiate.

J. L[ÉGER]

⁶¹ Le Canada voulait que l'Union soviétique accepte d'acheter un minimum de 1 500 000 tonnes de blé pendant les trois années de la durée de l'accord commercial.

Canada wanted the Soviet Union to agree to purchase a minimum of 1,500,000 tons of wheat in the three years of the life of the trade agreement.

SECTION D
PACTE DE VARSOVIE
WARSAW PACT

545.

DEA/50350-40

*Note du chef de la Direction européenne
pour le secrétaire d'État aux Affaires extérieures*

*Memorandum from Head, European Division,
to Secretary of State for External Affairs*

CONFIDENTIAL

[Ottawa], June 1, 1955

THE WARSAW CONFERENCE — MAY 11 TO 14, 1955

The "Warsaw Conference of European countries on Safeguarding Peace and Security in Europe" was hardly what one enthusiastic Polish commentator called it, "a conference at the summit when decisions of the greatest importance, of world influence, are taken". There are, nevertheless, a number of points of considerable interest to the West in the actual proceedings and in the motives of the Soviet Government in holding the Conference.

2. Since the background of this meeting is well known, I shall not review the events leading up to it. The eight nations participating signed a Treaty of Friendship, Cooperation and Mutual Assistance to remain in force for 20 years.⁶² This treaty is phrased in general terms of mutual guarantee against aggression under article 51 of the United Nations Charter. Under one of its articles a Joint Command is to be set up under Marshal Konev as Commander-in-Chief, with headquarters in Moscow. "Ministers of Defence or other military commanders" of the other participating states will be Deputy Commanders and a combined general staff will be located at headquarters. Under another article of the Treaty, a Political Consultative Committee will be set up for consultations "on all important international questions" and for "examination of questions arising in connection with the realisation of this Treaty."

3. Marshal Bulganin made an important speech⁶³ and was followed by the Heads of Governments of the other participating states and by the Communist Chinese Minister of Defence. Instead of referring to each speech in turn, I shall simply mention a few points of interest in the proceedings as a whole.

4. At the time of the Moscow Conference it seemed possible that, in addition to the eight member alliance, there might be a special grouping of Poland, Czechoslovakia and East Germany with its own responsibilities for bolstering security in Eastern Europe. Some moves were made towards "cooperation in all spheres" by delegations from the Parliaments of these three countries at a "Prague Conference" at the end of December but nothing further was said on the subject, so far as I know, until Premier Grotewohl of East Germany made further vague references to this special cooperation at the Warsaw Conference. Neither the Polish nor the Czechoslovak Premiers even mentioned such tripartite

⁶² Voir/See *Documents on International Affairs, 1955*, London: Oxford University Press — Royal Institute of International Affairs, 1958, pp. 193-197.

⁶³ Voir/See *Soviet News*, May 18, 1955.

arrangements, however, at the Warsaw Conference and we are, therefore, almost as much in the dark on this subject as before.

5. Another possibility in the way of Iron Curtain defence pacts was suggested by some Western commentators after Mr. Molotov's long foreign policy speech before the Supreme Soviet on February 8, 1955.⁶⁴ Mr. Molotov seemed to hint that, if the West kept making aggressive moves both in Europe and Asia, it might be necessary to create an Eurasian defence pact including all the nations of the "peace camp" in both continents. This hint, in addition to the fact that the Soviet Foreign Minister twice referred to the Chinese People's Republic as a co-partner with the Soviet Union, suggested that the Communist answer to the interlocking series of pacts by which Communism was to be contained might be one organization or two linked organizations responsible for mutual defence both in Europe and in Asia. At the Warsaw conference, however, there was no indication that anything of this nature was in the offing. General Peng Teh-huai, a Vice Premier and the Minister of National Defence of the Chinese People's Republic, was present but was listed as an observer. He assured the delegates that "peace and security in Asia and in Europe are indivisible" but he did not suggest that an extension of the defence organization under consideration at the Conference was needed to confirm this fact. Article 4 of the Treaty signed on May 14 referred only to "armed attack *in Europe* on one or several of the States signatory to the Treaty" (my underlining) in binding these states to joint action. General Peng Teh-Huai did give "unreserved support and cooperation to all resolutions adopted by the Warsaw Conference" and pledged that "if peace in Europe is undermined, if the imperialist aggressors light the flames of war against the peaceful countries of Europe then our Government and the 600,000,000 heroic people of China will struggle against aggression jointly with the peoples and Governments of our fraternal countries until final victory". This returned very much the same kind of pledge which the Russians have been giving the Chinese on Formosa, one intended to have the maximum deterrent effect on the West short of automatic commitment to involvement in *any* war on the lengthy periphery of the Moscow-Peking Axis.

6. So far as China's status as a "co-partner" was concerned, General Peng Teh-huai discreetly avoided any over-ambitious claims to equal status by referring on four occasions to the "peace camp" as being headed by the Soviet Union. This was probably a wise move at such a gathering. Satellite Communists are accustomed to having their positions depend on the whims of Moscow but any underlining of the fact that the whims of Peking might have some very real effect on Communism in Central and Eastern Europe might not have been very welcome.

7. Although the Chinese representative took care to adjust his remarks to the needs of the conference on this point, it is interesting that, while Marshal Bulganin and the satellite leaders avoided any clear statement on the important question of whether civilisation as a whole or only capitalist civilisation might be annihilated in a general war, General Peng Teh-huai made the defiant, ideologically orthodox assertion that if war came, the peace camp "will undoubtedly deal the aggressors such fatal blows that the result will be the utter destruction of the imperialist camp and the complete collapse of the entire capitalist system".

⁶⁴ Voir/See V.M. Molotov, *The International Situation and Soviet Foreign Policy*, New York: New Century Publishing, 1955.

8. Another point about the proceedings of the Warsaw Conference which is worth noting concerns the warning issued at the Moscow Conference last year and in the December 9 note to the Western Powers that the forces of the Eastern bloc were not only going to be integrated but strengthened considerably.⁶⁵ At the Warsaw Conference this theme was not very important. From the speeches there, it would appear that it was the integration itself, such as it was, which was to increase the "effectiveness" of the forces rather than any general increase in the levels of forces and armaments. It is true, of course, that one or two of the satellites have followed the Soviet lead in increasing the defence allocations in their budgets. It is also true that the Political Consultative Committee which is to be set up under the Treaty is to consider the "realisation of this Treaty" which could presumably include the "measures to step up their armaments" referred to a few months ago. So far as any real threat to the West on this score was concerned, however, it was conspicuous by its absence.

9. Another interesting item of Eastern bloc business which, as usual, was left not completely clarified was the question of the permanence of the Oder-Neisse line as Poland's Western frontier. The Polish Premier, Mr. Cyrankiewicz, referred to this frontier in quite emphatic terms four times during his speech. He ended these references by making it clear that he regarded the new treaty as embodying a guarantee of Poland's present frontier:

"the treaty will mean that the Polish frontier on the Odra and Nysa ... will be guarded not only by the Polish people and its armed forces but also by the powerful Soviet Union and the countries of the peace camp ... this treaty will mean that on the other side of the Polish frontier on the Odra and Nysa the peaceful forces of the German nation will stand ready, together and in equal measure with us, to defend peace against German militarism."

10. Mr. Cyrankiewicz's colleague from the "other side" of the Oder-Neisse line, who spoke immediately afterwards, did not rush in with any comradely assurances on this point; he did not even mention this question of the frontier. Mr. Cyrankiewicz's colleague from the other direction, Premier Bulganin, did not find time in his long discourse on world affairs to mention the question either.

11. The points I have mentioned above have not received much attention in any press comment we have seen. Each one of them indicates how the Soviet Government has left obscure certain important questions about Eastern bloc reactions to West German rearmament. In addition, there are a number of other points about the Conference which underline this aspect of Soviet policy. These points have been emphasized in press accounts which you may have seen and I shall simply note them briefly.

12. The Treaty is "open" to all states which wish to join, regardless of ideology. It is clear from one of the Articles, however, that a nation could not combine membership in NATO with membership in this organization. The emphasis in the Conference and in subsequent Communist propaganda has been on the invitation extended to all European states (and the USA) to join in a general European security system. If any general pact is agreed upon, the Warsaw pact can be dissolved immediately. There was no real indication in the proceedings of the Conference that the Soviet Government might now aim chiefly to put pressure on uncommitted states such as Finland to join the more limited pact signed at Warsaw.

13. According to the official statement about the Joint Command, "the question of the participation of the German Democratic Republic in measures connected with the armed forces of the Joint Command will be examined later". The fact that both with respect to

⁶⁵ Voir/See Volume 20, Document 306.

participation in the Joint Command and with respect to the Treaty as a whole, East Germany was in a special position was made clear by Premier Grotewohl. He said that the Treaty signed at Warsaw "leaves the German Democratic Republic complete freedom to negotiate on peaceful reunification". In addition, these arrangements enabled the East German authorities to say, as they did a week or so afterwards, with a considerable show of virtue, that the question of participation in a Joint Command could not very well be discussed now since they did not have an army. In avoiding any immediate decision on military participation, however, the Soviet and East German Governments were not simply leaving room for manoeuvre on German reunification. They were making a virtue of necessity, because it seems clear that the type of Army required would be produced only by conscription. This would not only be extremely unpopular among the people, but would create a very serious security problem for the Russians. Conscription on any large scale would have serious effects on the economy by drawing men away from industry at a time when this could completely upset the precarious economy of East Germany. Any immediate move in this direction, therefore, would probably increase still further the sullen resentment of the people in East Germany against the régime at a time when the success of Soviet policy in Germany depends so much on Communism's maintaining a relatively friendly, "business-like" front towards the West in general and towards Germans in particular.

14. The actual integration of forces achieved through the new agreements is pretty loose. Marshal Konev commands *through* Defence Ministers or military leaders in the satellites and the "disposition of the Joint Armed Forces on the territories of the countries concerned" remains to be discussed.

15. The general tone of the speeches at the Conference was not very belligerent. All the usual charges about Western policies were made, but Marshal Bulganin built his speech around the "peace plan" which had just a day before been presented to the Disarmament Sub-Committee in London.⁶⁶ The satellite leaders took their cue from this. Premier Cyrankiewicz said that "we believe that common sense will triumph in international relations". The assembled élite of the Communist world made it clear, with their usual bland arrogance, that, if common sense did prevail, it would be owing to their efforts entirely, but they did not generate any very convincing indignation about capitalist attempts to evade the great tide of common sense flowing in from the East.

16. With reference to this last point, we have just received a letter† from our Chargé d'Affaires in Warsaw with some of his first impressions on the Conference. Mr. Delisle reports that, at a reception given for all foreign diplomats during the Conference, the Iron Curtain leaders obviously tried to make Western representatives feel at ease in spite of the political background against which the reception was held. While many Iron Curtain officials stood off to the sides, Soviet leaders drank toasts with Westerners.

17. If everything was rather tentative, if so many questions were left unanswered, if Soviet and satellite leaders failed to maintain the belligerent, threatening tone with which this project of an Eastern pact was inaugurated a few months ago, why did the Soviet Government decide to have any conference at all at this time? I think that there were a number of good reasons from the Soviet standpoint for doing this.

⁶⁶ Voir France, Ministère des Affaires étrangères, *Documents relatifs au désarmement 1954-1959*, Paris: Imprimerie Nationale, 1960, pp. 28 à 38.

See United States, Department of State, *Documents on Disarmament 1945-1959*, Volume I, Washington: U.S. Government Printing Office, 1960, pp. 456-467.

18. In the first place, it is a useful corrective to any over-optimism on our part about new directions in Soviet policy to recall that millions of people either under Communist control or deluded by Communist propaganda have been persuaded that the Western "provocation" contained in plans for German rearmament has created a genuine threat to Soviet security and has necessitated Soviet counter measures. Communist speeches, broadcasts and articles drive at this point day after day. The Warsaw Conference had as one of its chief purposes the underlining of Soviet concern over plans to rearm the German Federal Republic. The Soviet Government could not have failed to meet ratification of the Paris Agreements in this way without seriously undermining one of its major drives in foreign policy.

19. The second major reason for the Conference was, I think, the desire of the Soviet Government to tidy up a number of awkward points about how exactly security arrangements necessitated by German rearmament or the withdrawal from Austria were to be made and how they were to be represented to the people in the satellites and the rest of the world. The Treaty and the Joint Command now provide the rudimentary elements of a useful political and military structure, which can be developed if needed to cover a number of projects.

20. The third major reason for the Conference was probably the desire of the Soviet Government to revive talks of a European security scheme such as that presented to the Berlin Conference by Mr. Molotov. The new Treaty is "open"; it could be dissolved if a more comprehensive pact was agreed upon; it underlines Soviet interest in "regional pacts". In this sense, it may be a negotiable element in a drive to get the United States out of Europe in return for some combination of a general European pact and a German settlement.

21. Even if the results of the Conference were cut and dried before it started, the Soviet Government did take particular care to make the sessions appear important. Unlike the Moscow Conference, where Molotov and other Soviet leaders made only occasional appearances, the Warsaw Conference witnessed the presence for four days of a high level Soviet delegation and heard an important speech by the Soviet Premier. The fact that Warsaw was chosen and that only a couple of weeks before Khrushchev had been there celebrating the Tenth Anniversary of the Soviet-Polish Treaty and giving some advance information about the Eastern bloc conference, indicated how carefully the Soviet Government was deferring to satellite susceptibilities.

22. One cannot therefore dismiss the Warsaw Conference and its resulting agreements as a mere facade, a transparent manoeuvre to score a few propaganda points. These agreements may, in the sense I have mentioned above, be "negotiable" in a general European settlement. But the very obscurity of the implications of many of the provisions means that the Soviet Government could, if no real bargain is struck with the West, use the agreements as the basis for a series of moves towards a more highly integrated military bloc in which more Soviet soldiers than ever are stationed across the centre of Europe and in which satellite and Soviet forces are redeployed, on a new basis without regard to frontiers, to meet the new NATO strategy based on all kinds of atomic weapons. After all, 1956 is supposed to mark the beginning of new integrated economic plans for the Soviet Union and its satellites. In recent months the satellite in which the post-Stalin "new course" was carried farthest, Hungary, has experienced an abrupt reversal to more orthodox policies, perhaps in anticipation of some of the problems created by a Soviet withdrawal from Austria. As Moscow pursues a more liberal line in one area it will probably try to limit the anticipated consequences of this elsewhere by tightening control. The June 1953 riots in East Germany must have made the necessity for such measures abundantly clear.

23. It is important to keep this point in mind because the speeches at the Warsaw Conference do not indicate in any way any Soviet intention to offer an "across the board" retreat from existing positions. There were, of course, many references to particular concessions. Almost all the speeches referred to the Austrian settlement as providing a useful precedent. Premier Grotewohl said that it "shows that there is a realistic way to solve the German problem." Roumania, Bulgaria, Hungary and Albania made friendly references to Yugoslavia and stated that they were all ready for normalization of relations with that nation and with Greece and Turkey. But judging from the Conference speeches we could only assume that the Austrian settlement, the new disarmament proposals, the approach to Yugoslavia and the interest in Four Power talks were intended, at least in the first round, to halt West German rearmament, without any real concession on Germany.

24. After indicating that the Western proposal for a Four Power Conference would be carefully studied, Premier Bulganin referred to the main issues to be solved as "agreement on the prohibition of atomic weapons, the reduction of armaments and armed forces and the removal of the threat of a new war." He then went on to explain the Soviet plan which had been tabled the day before in London. So far as Germany was concerned, Premier Bulganin had, earlier in his speech, placed emphasis on actions by the Germans themselves:

"In the implementation of these tasks the decisive part should be played, in the first place, by the patriotic forces of the German people themselves, who are striving to prevent the remilitarization of Western Germany. An important contribution to the unification of Germany and to the maintenance of peace in Europe could be provided by a rapprochement between Eastern and Western Germany, a relaxation of tension in their relations. There can be no doubt but that concerned action by the two parts of Germany for the creation of a united, free and democratic Germany is not only necessary but is also quite feasible."

25. Premier Grotewohl made the same point about the necessity "that the Germans should reach an understanding among themselves on all the problems obstructing a settlement." He made his point quite bluntly. "There will not always be an Adenauer, but there will always be a Germany." While the Russians try to get implementation of the Paris Agreements defeated by the Germans themselves without, for the time being, abandoning their East German satellite, there will undoubtedly be threats combined with soft words. The Joint Command in Moscow will probably provide the threats.

26. One commentator, Joseph Harsch, of the *Christian Science Monitor* in writing about the Warsaw Conference, speculated that "with the exception of Poland, Moscow is presumed to be willing and in fact offering to allow the satellites to take on the characteristics of a twilight zone between East and West in place of their present characteristics of captured, conquered and ruled provinces."⁶⁷ Since Mr. Harsch wrote this, Moscow has reacted sharply against any suggestion of "interference with the satellite states". Even before it did so, however, there seemed to be very little evidence that the Soviet Government was thinking of anything like a "twilight zone". The Treaty signed at Warsaw might be negotiable but Communist control of the satellites was not. A diminution of Soviet control through Communist governments in the satellites would mean the beginning of a steady deterioration in the security of the Soviet Union as conceived by Soviet leaders. The Soviet Government was not prepared to accept less security. It wanted the same amount of security but at lower prices and in somewhat different forms.

⁶⁷ Voir/See *Christian Science Monitor*, May 18, 1955.

27. On the basis of the Warsaw Pact, the only aspect of the Soviet position in the satellites (except in the case of East Germany) which is likely to be negotiable in the next few years is the degree of direct military involvement of the Soviet Union in the satellites through the stationing of large forces and the manning of bases. If it can get a comparable withdrawal by the West, it will, in withdrawing its armies to its own frontiers, have retained relatively the same amount of security but at reduced prices in terms of an arms race and tensions likely to lead to war. A Western demand for the freeing of a satellite from Communist control, however, would be regarded by Moscow as an aggressive act comparable to any attempt which it might now make itself to give direct support to a Communist coup such as the Prague one of 1948.

28. There are two fundamental reasons for this attitude on the part of the Soviet Union. Those leaders who may still think in terms of Communism triumphant around the world will have a hard enough job to reconcile themselves to the containment of Communism in the West. The prospect of expansion in the East will hardly compensate for this fact adequately when it seems that such expansion is more likely to increase the empire of Peking than that of Moscow. If pressure is brought to bear for a retreat of Communism in Europe from its position in the satellites (except perhaps to gain a much greater prize in Germany) these leaders may become desperate at the prospect of the tide of revolution in Europe receding on all fronts and decide that the existence of Communism in the West depends on violent measures and a forward policy.

29. The saner Soviet leaders, the ones who may now be most instrumental in seeking a *détente*, may be able to see that Soviet interests might better have been served if, after the last war, they had been content with a sphere of influence in Eastern Europe and with guarantees of Soviet security not involving the forced conversion of these states to Communism. They probably do not relish what they must know about the hatred directed both at Communism and at the Russians as a result of this conversion. They are, however, caught in a dilemma which has existed as long as there have been empires. The problem was stated most succinctly by Pericles in a speech to the Athenians about their imperial commitments during a particularly trying period of the Peloponnesian War. "For what you hold is, to speak somewhat plainly, a tyranny; to take it perhaps was wrong, but to let it go is unsafe."

R.A.D. FORD

CHAPITRE VI/CHAPTER VI
MOYEN-ORIENT
MIDDLE EAST

PREMIÈRE PARTIE/PART 1
EXPORTATIONS D'ARMES
EXPORT OF ARMS

SECTION A
CONSULTATIONS

546.

DEA/50000-A-40

*Note du chef de la Direction économique
pour le sous-secrétaire d'État aux Affaires extérieures*

*Memorandum from Head, Economic Division,
to Under-Secretary of State for External Affairs*

SECRET

[Ottawa], November 30, 1955

CONSULTATIONS CONCERNING ARMS SHIPMENTS TO THE NEAR EAST

As you are aware, it is our custom to consult the U.K. and the U.S. in connection with proposed significant arms shipments to Israel or the Arab States. We do not actually seek their approval, but we ask if they would be prepared to release the shipments in question if the requests were directed to them. To assist all concerned in assessing the importance of any proposed shipment a system has grown up whereby, in addition to consultation on individual cases of importance as they arise, we exchange with the U.K. and the U.S. on a bilateral basis every two months lists of arms items exported to each of the countries in question. In addition we receive from time to time the intelligence estimates of the U.S. and the U.K. of the arms levels of those various countries.

2. This informal system operates in parallel with a more formal and highly secret agency, the Near East Arms Co-ordinating Committee, on which the U.S., the U.K. and France are represented. We learned of this body some two years ago from the State Department, and were told at that time that the U.S. would welcome our association with N.E.A.C.C. but that perhaps the U.K. and certainly France would oppose our membership. At that time the committee met every two weeks in Washington to exchange information concerning arms levels in and arms shipments to the Near East countries, and to discuss the desirability of proposed releases of arms orders by the member governments. Apparently membership involves certain obligations of security concerning information put before the committee, and a commitment either to consult in the committee or to obtain its approval (our information does not make clear which) prior to the release of any significant shipment.

3. Recently, in connection with an enquiry relating to a particular request from Israel, we have been given a memorandum from the C.R.O. outlining current U.K. views on the control of arms shipments to Near East countries. The memorandum (of which the text is given in the attached Telegram No. 1655† from Canada House) suggests that we "might

see some advantage in a closer direct association with the arrangements in Washington for the control of arms supply to the Middle East". The three foreign ministers at Geneva agreed to have the U.K. and French ambassadors review these arrangements with the State Department "to formulate procedures to maintain consultation about arms deliveries to Israel and the Arab States bordering on it. They are to consider what function ... the N.E.A.C.C. can usefully perform as part of these procedures, and to take into account the desirability of including in any such co-ordination shipments to the area by other friendly governments. The U.K. ambassador in Washington is being asked to keep the Canadian ambassador advised of the development of these plans".

4. When we first learned of the existence of N.E.A.C.C. two years ago we concluded that it was probably not to our advantage to seek membership. I am inclined to the view that this judgment is probably still valid, but I should outline for your consideration what I believe to be the factors bearing on our decision.

(a) Factors favouring our membership:

(1) It would probably make for more systematic consultation with the major powers most directly concerned, and thus perhaps give us a more complete picture on which to base our judgment in individual cases. It should be added that the present informal arrangement seems to work reasonably well, and the potential gain is probably not too great.

(2) In cases where one of the three great powers wishes to release a shipment which the others oppose, our membership would add one more restraining voice. While our influence would not in general be great, we would at least be recognized as having no direct political or strategic axe of our own to grind. Thus our participation should tend, at least to some extent, to reinforce the common declared objective of preventing a Middle East arms race against the somewhat disingenuous activities of great powers having special interests in the area.

(b) Factors discouraging our membership:

1. The practical problem of meeting the commitments involved, both in terms of representation and of the provision of independent intelligence estimates, would be a real one.

(2) There would be a considerable risk of implying special commitments with regard to the Middle East area. If in the future there should be real trouble in the area, the three present members of N.E.A.C.C. might press us to join them in some sort of intervention. Such pressure would be much more difficult to resist if we were members of any formal body specifically concerned with the area.

This consideration would of course depend greatly upon whether or not other powers (such as perhaps Belgium) should also become associated with the three powers.¹ We would not, I assume, wish to participate unless we were fully welcomed by all concerned, and in this connection we should keep in mind the report that two years ago the French were opposed to our joining.

3. Membership might undesirably restrict our freedom of action. This does not appear a very strong point, however, since the present N.E.A.C.C. system does not (to say the least) appear to bind its members too rigidly and we are in any case unlikely to wish to get far out of line with the U.K. and U.S. whether or not we are under any formal

¹ Note marginale :/Marginal note:

This is important [R. Macdonnell]

restriction. We are already bound to some extent, moreover, by the fact that many of our arms items concerned are of U.S. or U.K. origin or design.

5. Because of the close balance of arguments on the question I do not wish to recommend a decision either way at the moment. If you agree, I would propose to send this memorandum to the Embassy in Washington with a request to maintain contact with the U.K. ambassador on the progress achieved in the current talks. I believe we should ask in particular for information concerning any plan to associate other countries with the arrangements worked out among themselves by the three present members of N.E.A.C.C.²

6. These comments may be of use in discussion with Sir Gilbert Laithwaite, who sent the C.R.O. note to Canada House and who is expected to arrive in Ottawa on December 6 for the meeting of the U.K.-Canada Continuing Committee.

7. I am sending copies of this memorandum to European and Defence Liaison (2) Divisions, since they may wish to comment. As the time before Laithwaite's arrival is limited, I have not attempted to incorporate their views before sending this to you.

A.E. RITCHIE

547.

DEA/50000-A-40

*Extrait d'une note du sous-secrétaire d'État aux Affaires extérieures
pour le secrétaire d'État aux Affaires extérieures*

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

SECRET

[Ottawa], January 13, 1956

POSSIBLE CANADIAN MEMBERSHIP IN NEACC

There was a recent Reuters despatch from Washington to the effect that Canada had, together with Italy, accepted membership in the Near East Arms Coordinating Committee. I thought you might want a brief account of this matter in case there should be a question in the House.

* * *

No formal invitation has so far been received. In a note sent to our High Commissioner on November 26, 1955, however, the U.K. authorities reviewed their own policies on the export of arms to Israel and Egypt and concluded with the following paragraph:

"It has occurred to us that Canada might see some advantage in a closer direct association with the arrangements in Washington for the control of arms supply to the Middle East, though naturally that would be entirely a matter for the Canadian Government on which it would not be proper for us to express any view. The position at the date of writing is, however, that as a result of discussions between the United States, French and United Kingdom Foreign Ministers at Geneva, these arrangements are to be reviewed. The French and British Ambassadors in Washington, working with a representative of the State Department, are to formulate procedures to maintain consultation about arms deliveries to Israel and the Arab states bordering on it. They are to consider what functions the existing body, the Near East Arms Coordinating Committee, can usefully perform as part of these procedures, and to take into account the desirability of

² Note marginale :/Marginal note:
Yes R. M[acdonnell] 2/12/55

including in any such coordination shipments to the area by other friendly government. The United Kingdom Ambassador in Washington is being asked to keep the Canadian Ambassador advised of the development of these plans."

Subsequently the United Kingdom informed us that no further increase in the membership is proposed beyond the three original members, Italy and Canada if we decide to join. They have said they are in no way trying to press us to join and would be quite prepared to continue the present system of bilateral consultation if we consider it satisfactory. The French have said that they would of course be glad if we chose to join but that it would be for the United Kingdom or the United States rather than the French to issue the invitation. We do not seem to have been given any direct expression of U.S. views, but it would appear from the conversations which have taken place that the United States has no special preference as to whether or not we decide to join.

In the absence of any specific invitation we have not formally examined this question either in the Department or in consultation with other Departments. There have, however, been various informal exchanges which suggest that most of the officials in Ottawa who are aware of this matter would advise against Canada's becoming a member, especially if other significant arms suppliers (e.g. Belgium) were not brought in. Canada House and the Embassy in Washington were inclined to look more favourably on the prospect of joining, but neither made a firm recommendation to this effect. Incidentally, the earlier French sales of aircraft and the recent U.K.-Belgian tank incident have not provided very impressive evidence of the effectiveness of this coordinating machinery.

...

SECTION B

ÉGYPTE
EGYPT

548.

DEA/50000-C-40

*Note du sous-secrétaire d'État aux Affaires extérieures
pour le secrétaire d'État aux Affaires extérieures*

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

SECRET

[Ottawa], July 8, 1955

SALE AND EXPORT OF JET AIRCRAFT TO EGYPT

As I reported in my memorandum of June [23],† the Supply Department of the Egyptian Air Force is interested in obtaining from Canadair a quotation on 20 Canadian Orenda Sabres and/or 20 Super Sabres, and in addition they wish to place firm orders for 15 Harvard T6G reconditioned aircraft. In accordance with our usual practice, we have consulted the United Kingdom authorities informally about this order. I now enclose for your information a letter dated June 30 from the Commonwealth Relations Office to our High Commission in London, indicating that there are no objections to the export of the 15 Harvards, but that the United Kingdom Government would be grateful if we could discourage Canadair from submitting quotations on the Sabre jet aircraft.

If you approve, I propose to ask the Department of Trade and Commerce to inform the Canadair Company that they may go ahead and, if possible, develop firm orders for the 15 Harvard trainer aircraft.³

R. M[ACDONNELL]
for Under-Secretary of State
for External Affairs

549.

DEA/50000-C-40

*Note du sous-secrétaire d'État aux Affaires extérieures
pour le secrétaire d'État aux Affaires extérieures*

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

SECRET

[Ottawa], September 9, 1955

SALE OF SWEEP-WING JET AIRCRAFT TO EGYPT

You will remember that the Egyptian Air Force was enquiring last June about the possibility of obtaining Canadian Sabre aircraft. At that time the United Kingdom Government indicated that they would be worried if any swept-wing jets of this or of a similar type came into the possession of any Arab state or Israel. The United Kingdom authorities pointed out that their own Middle East Air Force was not yet equipped with such up-to-date aircraft and they would certainly refuse to supply Egypt with comparable United Kingdom fighters.

The Joint Intelligence Bureau expressed the opinion that the export of this type of aircraft to Egypt would have a serious effect on the balance of power in the area and recommended that quotations should not be submitted to the Egyptian Government on the Sabres.

On August 5 the State Department told our Embassy that the United States position on the export of jet aircraft of this kind to Egypt had been somewhat modified for these reasons:

(a) France had sold to Israel over United States and United Kingdom objections six Mystères with an option on nine more;

(b) As a result of this French sale the United Kingdom, according to the State Department, was reconsidering the advisability of equipping its Middle East bases with aircraft of comparable quality; and

(c) The Egyptian Government had had attractive offers of military equipment from the USSR on easy terms of payment.

In view of this the United States would offer no objection if Canada accepted an Egyptian order for five jet or super-jet aircraft (preferably not the latter).

We then asked Canada House to point out to the United Kingdom authorities that if Israel was to receive Mystères it appeared to us that the United Kingdom's earlier objections to the sale of comparable aircraft to Egypt might lose much of their validity.

³ Notes marginales :/Marginal notes:

OK [L.B. Pearson]

July 14: Phoned [illegible/illegible] of Trade and Commerce. He will wait for letter [signature illegible/signature illegible]

The C.R.O. replied, however, that the attitude adopted by the French over their strong objections had not resulted in any change in United Kingdom policy with regard to the export of swept-wing jet aircraft to the Middle East. The United Kingdom had tried to stop these French exports and would continue to do all they could to prevent or limit as much as possible the export of swept-wing aircraft to Middle East countries. (The C.R.O. confirmed that France was selling Mystères to Israel; they understood a firm order for fifteen had been accepted with an option on fifteen more).

Meanwhile Mr. Davis of Canadair has been in Cairo where he has been asked by the Egyptian Air Force to make an offer on forty Sabres Mk. VI. The Egyptians said that they had offers of similar aircraft from the United Kingdom, the United States and France, and quoted prices at which they claimed they had been offered Mystères Mk. IV B and Hawker Hunters. Recently too there was a report in a United States aviation magazine that Egypt was negotiating for Hawker Hunters from the United Kingdom. We asked Canada House to make enquiries about this report, and they were told by the C.R.O. that there was no truth whatever in the story. The United Kingdom did have under consideration (before the latest Gaza flare-up) the sale of some Meteors and Vampires to Israel and/or the Arab states. These are not swept-wing aircraft. I think we can take it for granted that the Egyptian statement that they had had offers of swept-wing jet aircraft from the United Kingdom is not true, but their claim that they had been offered Mystères by France is more credible in view of the French sales to Israel.

Canadair has now asked for permission to quote on forty Sabres Mk. VI, on the understanding that permission to quote would pretty well imply that export approval would follow for any shipments undertaken in the near future.

If we refuse Canadair permission to sell any Sabres to Egypt at the present time, we cannot rule out the danger that the business may be taken by France or the Soviet Union. Nevertheless, I suggest that the present would be a highly inappropriate time for such a sale in view of:

(a) The recent series of serious border clashes in the Gaza strip, including fighting between jet aircraft; and

(b) The initiative taken by Mr. Dulles to try to bring about a settlement in the area.

In view of the uneasy situation in the area, you may consider that for the present no substantial shipments to the Middle East of any major items of military equipment should be approved.

I suggest, however, that Canadair might be told that if we or they get any reliable evidence that other countries are allowing the sale of significant quantities of swept-wing jet aircraft to Egypt, the situation will then be reviewed.⁴

J. L[ÉGER]

⁴ Note marginale :/Marginal note:

I agree — but feel that this is a matter that should be approved by Cabinet. L.B. P[earson]

550.

DEA/50000-C-40

*Décision du Cabinet
Cabinet Decision*

CONFIDENTIAL

[Ottawa], September 26, 1955

MEETING OF SEPTEMBER 16TH, 1955
EXPORT OF SABRE AIRCRAFT TO EGYPT

Noted the report of the Secretary of State for External Affairs on the possible export by Canadair Limited of Sabre aircraft to Egypt and agreed that such a sale be not approved, but that the company be told that, if there were reliable evidence that other countries were allowing the sale of swept-wing jet aircraft to Egypt, the situation would be reviewed.

W.E.D. HALLIDAY
Registrar of the Cabinet

551.

DEA/50000-C-40

*Projet de note du sous-secrétaire d'État aux Affaires extérieures
pour le secrétaire d'État aux Affaires extérieures*
*Draft Memorandum from Under-Secretary of State for External Affairs
to Secretary of State for External Affairs*

SECRET

[Ottawa], September 29, 1955

EXPORT OF ARMS TO EGYPT

Attached is a copy of a most disturbing telegram† from Washington on the deal between Egypt and the USSR. The sale includes 37 jet bombers and 163 MIG's 15. The first 100 jet aircraft would be delivered by the USSR in December 1955. The deferred payment by Egypt would consist mostly of cotton.

It is clear from this that the State Department's Intelligence has been very poor, worse indeed than that of the *New York Times*.

The United States had been discussing with the Egyptians for a long time the supply of equipment (on favourable terms) which would have included mostly small arms and equipment of a defensive nature, as well as a small number of tanks and heavy units; no jet aircraft were included. A copy of telegram No. 1647 of September 27† on these negotiations is also attached. You will observe that when it was written the Office of Munitions Control thought only small quantities of "fringe area equipment" were involved in the Russian negotiations.

One of our main concerns is that we should not be under-cut in possible sales of jet aircraft to this area by Western competitors. I suggest, however, that this information does not give us any reason to allow Canadair at this stage to make quotations to the Egyptians on the assumption that export permits would be granted. There is no evidence that the United States or the United Kingdom have any intention of doing so.

With respect to Israel, Canadair might argue that, now that Egypt will have an overwhelming superiority in jet aircraft, balance should be restored by substantial sales to Israel, and Canada might get a good deal of the business by stepping in quickly. Such a reaction on our part, acting unilaterally, would be highly dangerous. It seems to me that

there will be a very strong case for the Western Powers concerned revising their attitude towards sales of arms to Israel, but that it is more desirable than ever before that the Western Powers should adopt a common approach to this question and that we should maintain very close consultation with the United States and United Kingdom in view of these Russian sales.

I suggest that we should ask our Missions in London and Washington to seek definite assurances that neither country intends to allow the sale of jet aircraft to Egypt and to ascertain the intentions of the United Kingdom and United States with regard to sales to Israel.⁵

J. L[ÉGER]

552.

DEA/50134-40

Note pour le secrétaire d'État aux Affaires extérieures
Memorandum for Secretary of State for External Affairs

SECRET

[Ottawa], October 20, 1955

THE EGYPTIAN-CZECHOSLOVAKIAN ARMS DEAL

Of serious concern to the Western Powers has been the recent announcement by Colonel Nasser that Egypt has concluded a deal for the acquisition of arms from communist supplies. This disturbing news overshadows every aspect of Israeli-Arab relations and has, of course, wider implications for the international situation as a whole.

The transaction is with Czechoslovakia but shipments will evidently be made from Odessa. It seems likely that a large part of the material will be of Soviet manufacture. Latest United Kingdom information is that the deal includes jet aircraft, tanks, guns and light naval craft. Specific amounts have not been confirmed but it is indicated that they are substantial. Figures of 200 aircraft, comprising 165 Mig 15s and 35 medium jet bombers, and 100 tanks, have been mentioned by various sources. It is probable that a certain number of communist technicians will go to Egypt as part of the arrangement. First shipments under the transaction are expected by the end of this month or early in November. Payment by Egypt will be on a deferred basis and largely in cotton and rice.

It is too early to judge now whether this presages a calculated Soviet policy of more active interference in Middle Eastern affairs, which would have a harmful effect on the efforts to bring about an understanding between the USSR and the West. There have, however, also been reports that the Soviet Union has been offering arms to Syria and Saudi Arabia. The major Western Powers have made representations to Egypt and the Soviet Union, drawing attention to the dangers of upsetting the military balance between Israel and the Arab states and precipitating an arms race between them. If the deal goes through, it will become necessary for the Western Powers to reappraise their policies with regard to the shipment of arms to the Middle East. The question of the type of aircraft to be maintained on bases in the Middle East would also have to be reviewed, since the United Kingdom bases are not at present equipped with swept-wing jets.

Colonel Nasser has vigorously, both in public and private, defended Egypt's right to obtain arms from any available source. He has pointed to his failure to secure an adequate

⁵ Note marginale :/Marginal note:

Mr. Ritchie: Could we discuss on Monday or Tuesday? J. L[éger]

supply of arms from the United States or the United Kingdom, while he alleges that the West has been arming Israel. The opinion of Western observers in Egypt is that Colonel Nasser was under strong pressure from the Army to obtain arms without regard to political risks. Military leaders had been smarting from a sense of inferiority to Israeli forces since the Gaza incident of last February.⁶

United States and United Kingdom reactions to the Egyptian-Czech arms transactions appear to be similar. Despite their representations to Colonel Nasser about the dangers of getting the Soviet Union involved in Middle Eastern affairs and of engendering a compensatory purchasing of arms by Israel, they do not believe that they can stop the deal. They consider it might be possible, however, to induce Colonel Nasser to limit it in scope and effect, or even quietly to cut down its magnitude. There seems to be a possibility that the Egyptians may have been taken aback somewhat at the strength of the Western reaction to the transaction with Czechoslovakia. Furthermore there are indications that Colonel Nasser himself may be having some second thoughts about the matter and may be realizing the danger of becoming too deeply involved with communist countries. It has even been suggested by the Foreign Office in London that the arms deal may so have enhanced Colonel Nasser's prestige, both in Egypt and in other Arab states, that he may feel strong enough to adopt a somewhat more accommodating attitude towards the West.

Neither the United Kingdom nor the United States believe that a proper counter to the deal would be to make immediate substantial increases of arms shipments to Israel. They are inclined rather to consider more stringent supervision of arms supplies to Egypt and to wait to see what Colonel Nasser will do in view of the strong representations made to him. However, the United Kingdom Government is contemplating "taking certain steps which, though not directed specifically against him (Nasser) or against Egypt, will indicate that we are going ahead with our Middle Eastern policies and supporting our friends. In other words, we shall seek to show that it pays to refrain from having dealings with the Soviet Union."

You will recall that when you were in London Sir Anthony Eden showed you the text of a draft letter which he wished to send to Bulganin and which he suggested you might be willing to support in your conversations in Moscow. The draft letter, after drawing attention to the serious effect of an arms race and a spread of conflict in the Middle East, suggested that the USSR should join the USA, France and the United Kingdom in exchanging information about the despatch of supplies to either Israel or Egypt. We understand that the letter was not sent to Bulganin in this form because of the United States objections to formally associating the USSR in this way in the tripartite consultations about the Middle East.

You might wish, in your conversations with Colonel Nasser,⁷ to express the hope that nothing will be done to worsen the situation in the Middle East and to precipitate an arms race between Egypt and Israel, which would certainly be very dangerous to peace in the area. Israeli leaders have not unnaturally reacted to the announcement of the Egyptian-Czech transaction by proclaiming the necessity to obtain adequate additional arms themselves and by asking for a Western guarantee of their borders irrespective of any general settlement of the Arab-Israel dispute. These are points which Mr. Comay made in the letter† which he left with you before your departure for Moscow. There is the additional factor that, if Israel considered itself compelled to increase its level of armament, this would not be at all welcome to other Arab countries such as Jordan and Syria. (The United

⁶ Voir/See Document 563.

⁷ Voir/See Document 568.

Kingdom believes that Egypt made the deal with Czechoslovakia without consulting any of its Arab League partners. There seems to have been general Arab approval, however, of Colonel Nasser's demonstration of his independence from the West in this matter.) Incidentally, Colonel Nasser, in his public address on September 27 during which he announced the arms deal, mentioned Canada, together with the United States, the United Kingdom, France, Belgium and Italy as the sources from which "the enemy" Israel was obtaining its military supplies.

SECTION C

ISRAËL
ISRAEL

553.

DEA/50000-B-40

*Note du chef de la Direction économique
pour le sous-secrétaire d'État aux Affaires extérieures*

*Memorandum from Head, Economic Division,
to Under-Secretary of State for External Affairs*

SECRET

[Ottawa], January 14, 1955

EXPORT OF ARMS TO ISRAEL

The Canadian Commercial Corporation recently informed us that the Government of Israel has asked for a quotation on 800 .30 calibre machine guns and mounts. A couple of days ago we were approached by officials of the Israeli Embassy who explained that when they received a quotation from the Canadian Commercial Corporation on 300 machine guns last August they decided that the price was so advantageous to them that it would be cheaper to get all the guns they claim they need from us rather than to manufacture them in Israel or obtain them from other sources. It was explained to them that the Canadian Government might have some difficulty in agreeing to the sale of a large quantity of machine guns, but that it would be helpful to know what the intentions of the Israeli authorities were respecting these guns. Specifically, the question was raised whether these units, or some of them, were intended for replacement purposes or whether they would be net additions to Israeli stocks. The answer given was not altogether clear-cut. At one point it was suggested that all 800 guns were needed to replace unserviceable weapons. We couldn't help raising our eyebrows a trifle skeptically about the notion that the Israelis should happen to have just 800 machine guns that don't work. At that point the Israeli representatives went off on a different tack and said that what they really have is a deficiency in their planned establishment amounting to 800 guns which they intend to make up. The upshot of this very informal discussion was that the Israeli representatives said a letter would probably be sent from Mr. Comay to Mr. Pearson bringing this case to his attention and explaining it (?) to him.

2. In the meantime, we have not consulted anyone about this order, as we were waiting to hear the Israeli explanation about the requirement of these weapons. Now that we have had it, and have incidentally been told that the Israelis have 10,000 machine guns (for what that is worth), I should be grateful for your views on whether we should now consult the United States and United Kingdom authorities about this order. You may wish to wait until the Minister receives a letter from Mr. Comay and then seek his views on how widely we

should consult the above-mentioned Governments at this time. I would hesitate to seek their views before knowing whether you or the Minister think this should be done.⁸

A.E. RITCHIE

554.

DEA/50000-B-40

*Note du sous-secrétaire d'État aux Affaires extérieures
pour le secrétaire d'État aux Affaires extérieures*

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

SECRET

[Ottawa], February 24, 1955

SALE OF MACHINE GUNS TO ISRAEL

The Israeli Ambassador wrote to you on January 13 seeking your approval of a sale of 800 Browning .30 calibre machine guns. A copy of his letter† is attached for ready reference. You will have noted the implication in the second paragraph that if the guns are not supplied by us, they will either be procured elsewhere or else manufactured in Israel.

We have consulted the United Kingdom and United States authorities informally, as well as the Department of National Defence. We have learned that:

(a) If the order for machine guns were placed in the United Kingdom, it would be refused on the grounds that they are *offensive* weapons, unlike the fourteen 3.7" anti-aircraft guns the Israelis want. A copy of telegram No. 192 of February 11† is attached.

(b) The United States might allow the sale of, say, 200 or 250 machine guns, while making it clear that they regard the Israelis to be still "on trial", and that additional supplies would depend on their good behaviour. Their thinking may have been influenced by Mr. Ben Gurion's return to the Cabinet as Minister of Defence. A copy of WA-295 of February 18† is attached.

(c) The Department of National Defence, considering the order to be in excess of Israel's legitimate requirements (they now have 20,000 machine guns), recommends that no more than 200 be shipped to Israel over a twelve-month period. A copy of their letter of February 22† is attached.

You will recall that in my memorandum† yesterday I recommended the approval of the Israeli orders for:

\$224,000 worth of tank tracks
14 3.7" AA guns plus 3600 rounds
60 20mm guns for fighter aircraft.

The essential difference between those orders and the one for machine guns is that they are either intended for replacement purposes or for defensive needs (assuming fighter aircraft have for their primary function the defence of Israel against hostile bombers). Last year Cabinet turned down an order for 10,000 Bren machine guns, partly because Israel did not need any more (they hold more than the Arabs do altogether) and partly because these are ideally suited to offensive operations on a small scale. By the same token, I consider that

⁸ Note marginale /Marginal note:

European Division believes consultation with the U.S. and U.K. should take place whether Israelis send a letter or not. It would of course be preferable to await the letter of explanation. We could perhaps enquire informally to see when it might arrive. R.A.D. Ford

the present order should be curtailed as proposed by the Department of National Defence, in order to be consistent with the Cabinet's policy of allowing sales of weapons to sensitive areas of local unrest only when they are required for legitimate defensive purposes.⁹

May I have your instructions on whether to prepare a recommendation to Cabinet in this sense?¹⁰

J. L[ÉGER]

555.

DEA/50000-B-40

*Note du chef de la Direction économique
pour le sous-secrétaire d'État aux Affaires extérieures*

*Memorandum from Head, Economic Division,
to Under-Secretary of State for External Affairs*

SECRET

[Ottawa], March 8, 1955

EXPORT OF ARMS TO ISRAEL

With reference to our telephone conversation yesterday on the subject of a possible censure by the Security Council of Israel's part in the recent Gaza incident, this will confirm that none of the items of military equipment we approved for export last week have actually begun to move out of Canada.

2. The Department of Trade and Commerce was asked this morning to look out for the relevant export permit applications from the Canadian Commercial Corporation for the 3.7", 20mm and .30" calibre weapons. As of this morning, those applications had not reached the Department of Trade and Commerce. The latter undertook to delay processing them for a few days, and not to issue the permits without specific telephone authorization by us. They were also enjoined not to say anything to the Corporation or to anyone else about this matter.

3. We explained that if the Security Council should decide to impose an arms embargo on Israel, we would not wish to be embarrassed by having military equipment already in the pipe line en route to Israel. We promised to let the Department of Trade and Commerce know as soon as a decision is taken in this Department either to let the shipments go forward, or to recommend that the approval previously granted should be withdrawn. I may add, in this connexion, that the amounts and categories approved were based on a very cautious appraisal of the situation obtaining in the Near East, where incidents such as the recent one in the Gaza strip are to be expected from time to time. For this reason I doubt whether anything less than an embargo resolution directed against Israel would justify a reversal of the earlier decision to supply the small quantities of arms approved for export last week.¹¹

A.E. RITCHIE

⁹ Voir/See Volume 20, Document 713.

¹⁰ Note marginale :/Marginal note:

I agree that no more than 200 should be shipped. L.B. P[earson]

Le Cabinet a approuvé une expédition de 200 mitrailleuses, lors de sa réunion du 28 juillet 1955. Cabinet approved a shipment of 200 machine guns at its meeting on July 28, 1955.

¹¹ Note marginale :/Marginal note:

OK L.B. P[earson]

556.

PCO

*Note du secrétaire d'État aux Affaires extérieures
pour le Cabinet*

*Memorandum from Secretary of State for External Affairs
to Cabinet*

CABINET DOCUMENT NO. 157-55

Ottawa, July 22, 1955

SECRET

EXPORT OF ARMS TO ISRAEL — BROWNING MACHINE GUNS, CALIBRE .30

The Israel Embassy in Ottawa has been pressing for a reply to their request for an additional 600 Browning machine guns, .30 calibre. Earlier the Cabinet agreed to supply 200 guns at a rate of 20 a month beginning in June, 1955. For administrative reasons the rate of delivery was changed to 60 guns every quarter, which would mean that the last shipment (actually of 20 guns) would be made in March, 1956.

2. A concurrent request for spare parts is still being examined by the appropriate Canadian authorities and cannot be made the subject of a recommendation at this time. It is, however, linked to the problem of supplying guns and the decision on the present matter may well affect the subsequent recommendation on the parts, especially if it should appear that by supplying them we would be substantially increasing the effective strength of the Israel Army.

3. In pressing for the additional 600 guns, the Israelis are apparently prepared to accept delivery in regular shipments over a long period, although *not necessarily* at the present numerical rate. They wish to have firm commitment for the entire 800 guns so that they can complete plans for standardizing the medium machine gun used in the Israel Army, make appropriate changes in their arrangements for the supply of small arms ammunition (which is manufactured, we are told, largely in Israel) and reduce to a minimum the calibres of ammunition used in Israel armed forces. These aims are inherently reasonable.

4. In support of their request for additional .30 guns *the Israelis have affirmed that:*

(a) If Canada agrees to supply them, Israel will not have to look elsewhere and will in fact not do so.

(b) If Canada cannot agree to supply them, Israel can obtain the guns elsewhere, although at a greatly increased cost. This price factor, plus the fact that the Canadian guns will be new and supplied at a regular rate, has made it preferable, from the Israel point of view, for the purchase to be made here.

(c) There is no political obstacle because, although a regular supply of these guns would increase the administrative (and tactical) efficiency of the Israel Army they would have no decisive strategic value (as would tanks or jet aircraft) which would change the balance of military strength in the Middle East.

(d) Moreover, there is now less likelihood of a renewal of general hostilities in Palestine and in recent days a chance that the Egyptian-Israeli frontier situation will be stabilized, as has been the case along the Israeli-Jordan border. The Israelis maintain that the increased stability can be attributed to the clear superiority of Israeli forces over their Arab opponents.

5. Our own assessment of the situation is also influenced by the following:

(a) The Joint Intelligence Bureau believe that the supply to Israel of 200 Browning machine guns within a 12-month period would "meet their requirements and not seriously disturb the stability of the Middle East". 200 guns, however, would be the maximum annual requirement and the Joint Intelligence Bureau have suggested that Israel is probably obtaining the same kind of guns elsewhere. This possibility first led them to recommend against any extension of the Canadian commitment to Israel. Subsequently, however, they agreed that a further commitment to supply 200 machine guns in the year following March 1956 would not disturb the balance of military strength in the Middle East. They believe the rate of delivery should be maintained at 60 guns every quarter.

(b) The United Kingdom officials have said that if the same request were made of them they would be inclined to refuse it because they fear that the Israelis intend to use the Brownings to arm some demilitarized Sherman tanks which Israel possesses. The United Kingdom would no doubt prefer that we not supply the guns at the present time. However, the appropriate authorities in London will be reviewing the United Kingdom policy shortly and it is the impression in Canada House that an attitude more favourable to the present Israeli request might result.

(c) United States officials have declined to comment on Israel's request to us until a further review of the United States position has been completed. It seems that they might be in a position to comment about the beginning of the week of July 25.

(d) The present Israeli request involves us in a long-term commitment to supply arms to Israel. It is clearly not possible to forecast the trend of events in the Middle East beyond a few weeks, much less in the next few years. The current developments are not too discouraging, even though the fundamental obstacles to settlement remain formidable and dangerous. We could accept a long-term commitment with the full understanding that any gross deterioration of the situation in the Middle East would lead to an embargo on the shipments of all arms to the area or to any offending party, an embargo which would be imposed regardless of commitment. This happened when the United Kingdom imposed its embargo on Egypt after the Suez Canal dispute became acute.

Assessment

6. We are faced with the following alternatives:

(a) Refusing the Israeli request on the grounds that the situation in the Middle East is too risky to warrant any long-term commitment and that *in toto* this request for guns goes beyond Israel's ordinary requirements for defence.

(b) Accepting the request without reservation, with the knowledge that the United Kingdom and possibly the United States would be opposed to the shipment.

(c) Agreeing to supply the whole 800 guns but at a rate not exceeding 200 a year, delivered in shipments of 60 every quarter. This would mean a four-year commitment.

(d) Agreeing, as the Joint Intelligence Bureau has suggested, to supply an additional 200 guns in the year beginning March 1956 at the rate of 60 every quarter.

7. (c) and (d) seem to be the real alternatives. It appears from what the Israelis have said recently that they might expect to receive the guns *in increased numbers every quarter* if the whole request were to be met. Their interpretation of "the same rate" seems to be a percentage basis, namely 10%. If we agree to supply 800 guns, they might expect to receive 80 a month or 240 every quarter; if 400 in all were involved, they would expect 40 a month or 120 every quarter. These rates of delivery would be greatly in excess of the recommendation of the Joint Intelligence Bureau and the previous assessments we have

had from the United Kingdom and the United States. It would seem desirable, therefore, to resist the pressure for any increase in the rate of delivery.

Recommendation

8. On balance I recommend that we agree to supply the additional 600 guns requested at a rate of 200 a year delivered in shipments of 60 every quarter. We should make clear to the Israel authorities, however, that we have entered into this long-term commitment in the belief that the situation in the Middle East is showing signs of improvement; that if the situation should deteriorate drastically we would be required to reconsider the commitment and possibly to impose some form of embargo, depending upon the action taken by other supplying countries.

L.B. PEARSON

557.

DEA/50000-B-40

*Note du sous-secrétaire d'État aux Affaires extérieures
pour le secrétaire d'État aux Affaires extérieures*

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

SECRET

[Ottawa], July 27, 1955

EXPORT OF ARMS TO ISRAEL — BROWNING MACHINE GUNS, CALIBRE .30

I understand the memorandum to the Cabinet dated July 22, 1955, which was not dealt with at the last Cabinet meeting is on the agenda again for Thursday morning's Cabinet.

While examining the concurrent request for spare parts, the Joint Intelligence Bureau have given further consideration to the whole question of supplying 600 Browning machine guns to Israel. They have reiterated that their opinion, which is summarized in paragraph 5(a) of the memorandum to the Cabinet, is that the sale of a maximum of 200 of these weapons within a twelve-month period would not be unduly dangerous to the stability of the Middle East. They have also reviewed the request for spare parts and see no objection to the granting of this request. With the spare parts which accompanied the original sale of 200 plus the more recent request for spare parts, they consider that the Israeli Forces will be in a position to maintain the original 200 guns in working order under normal training conditions for approximately one year.

They then say, however, that in considering the Israeli request for the remaining 600, they think it would be most unwise to permit the sale of any more of these guns, even though deliveries would not commence until the original 200 had been shipped. They point out that deliveries of the first 200 will not be completed until March 1956, and that presumably these 200 guns will still be in working order until approximately March 1957. In view of the difficulties of foreseeing the state of affairs in the Middle East at that time, they consider that a commitment at this stage would be unwarranted.

In the light of this JIB opinion, you may wish to consider whether alternative 6(d) in the memorandum to the Cabinet would not be preferable to the recommendation you had adopted in paragraph 8 of the memorandum. Should you choose to recommend alternative 6(d), there would not be time to circulate a revised memorandum to the Cabinet, but I have

prepared extra copies of this memorandum to you which you could circulate in Cabinet if you wished.

R. M[ACDONNELL]
for Under-Secretary of State
for External Affairs

558.

DEA/50000-B-40

*Note du chef de la Direction économique
pour le sous-secrétaire d'État aux Affaires extérieures*

*Memorandum from Head, Economic Division,
to Under-Secretary of State for External Affairs*

SECRET

[Ottawa], August 5, 1955

EXPORT OF ARMS TO ISRAEL

The Cabinet last week [July 28] approved the sale of an additional 600 Browning machine guns to the Government of Israel over a three-year period beginning after March 1956. At the same time the Cabinet agreed that it should be made clear to the Israel authorities that we have entered into this long-term commitment in the belief that the situation in the Middle East is showing signs of improvement, and that if the situation should deteriorate drastically, we would be required to reconsider the commitment and possibly to impose some form of embargo depending upon the action taken by other supplying countries. In Mr. Comay's absence I suggest that, if you agree, I might ask Mr. Yafeh, the Chargé d'Affaires, to come in so that I might explain the circumstances to him and hand him an aide-mémoire.†¹²

2. Since we asked the United Kingdom and United States authorities for their views on this proposed sale, I suggest that our Missions concerned should let them know about the Government's decision. Accordingly, I attach suggested telegrams† to London and Washington.

A.E. RITCHIE

¹² Note marginale :/Marginal note:

Yes R. M[acdonnell]

L'aide-mémoire a été remis à Yafeh le 10 août 1955.

The aide-mémoire was handed to Yafeh on August 10, 1955.

559.

DEA/50000-B-40

*Note du sous-secrétaire d'État aux Affaires extérieures
pour le secrétaire d'État aux Affaires extérieures*

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

SECRET

[Ottawa], December 1, 1955

ARMS FOR ISRAEL

I thought you might wish to have a note on the present position in preparation for your forthcoming talks with Mr. Sharett.¹³

2. So far we have had no increase in requests for clearance of arms shipments to Israel as a result of the Czecho-Egyptian arms deal.¹⁴ The volume of outstanding items (which are outlined briefly below) is perhaps a little above average, but they are routine requests which can be settled one way or another without the need for major policy decisions. Thus there should not be any problem during Mr. Sharett's visit unless he presents you with a substantial list of new requests such as that recently given to the U.S. Government.

General Policy Considerations

3. Should such a list be brought forward, I would suggest that you do no more than agree to study it. It would undoubtedly be covered by a brief purporting to demonstrate that the items listed are required only for legitimate defensive purposes and are merely designed to help restore the balance which may be said to have been overthrown by the Czecho-Egyptian deal. Even to admit that these objectives are acceptable is risky, since they run counter to the general Western position that an arms race in the Middle East is undesirable per se, and to the position which you took in your conversation with Prime Minister Nasser.

4. We are still awaiting word (expected any day now) of a decision in Washington on the line the U.S. will take on the list it has been given. Indications are that releases will be limited in general to defensive weapons, with the possibility that some items of mixed offensive-defensive capability (e.g., a few F-86's) may be included. The U.K. is being very cautious at present, partly for special political reasons arising from its relations with the Arab states and partly from fear that Western backing of Israeli counteraction against the Czecho-Egyptian deal may drive some Arab states wholly into the arms of the USSR. The French, despite the misgivings of the U.K. and the U.S., are briskly selling a number of items to both sides — no doubt from a mixture of political and commercial motives. On the whole the U.S. seems to be trying conscientiously to adhere to the declared objective of not contributing to a Middle East arms race, in spite of what must be fairly heavy internal and external pressure. I believe that our wisest course would be to go no further than the U.S. decides to go.

5. A special problem might arise if we should be asked to release modern jet aircraft (e.g., Sabres) to Israel. As you are aware, the aircraft industry would probably be delighted to find a new outlet; the deal could be defended, moreover, on the ground that it would merely balance the shipment of MIG's from Czechoslovakia to Egypt. Yet the precedent

¹³ Pour un compte rendu de la discussion entre Pearson et Sharett, voir le document 569.

For a record of Pearson's discussion with Sharett, see Document 569.

¹⁴ Voir/See Document 552.

would be a dangerous one, and should I think not be considered at least unless the U.S. decides to release such aircraft.

6. I am not aware of other possible items where we would be exposed to serious pressure from Canadian suppliers to meet a possible Israeli request.

Current Cases

7. In my memoranda† of November 16 and 18 I reviewed a total of eight items of current interest. I now append a table setting out the present status of these various requests.

8. You will observe that only five of the eight items are of concern to this Department, at least for the present. We are awaiting your decision on the release of the fifty 40 mm. A/A guns. While you may decide that the seventy 6-pounder A/T guns should also be released, I would advise that action be deferred at least until we learn more of United States policy. On the 3.7 A/A guns and ammunition no action is required at present, but we may expect a request for an export permit in the near future. With regard to the Browning machine guns, I suggest that we should not alter the present arrangement, unless the Israelis take the matter up again more formally in which case it would probably be possible to give way.

J. L[ÉGER]

[PIÈCE JOINTE/ENCLOSURE]

ITEM	QUANTITY	STATUS
1. 40 mm. A/A guns	50	Release was recommended to you in my memorandum of November 16.
2. 6-pdr. A/T guns with 12 months' spares	70	Informed you on November 18 that there was no real objection to the release, although the U.K. had expressed some doubts. More recently, however, the U.S. also has asked if we could defer a decision for a few days until they determine their own policy.
3. 3.7 A/A guns	12)	Quotations requested from CCC
4. 3.7 ammunition)	for November 22; they have presumably been given. No action is required of us until there is an application for an export permit, which we would probably be disposed to grant on the ground that the order is small and for a purely defensive item. J.I.B. views have not yet been obtained, however.
5. .30 Browning		A substantial order is being machine gunfilled at the rate of 60 guns per three months. Mr. Comay recently asked if the rate of delivery could be increased or perhaps the entire balance of the order released. The request was made orally, and no action has been taken so far.

- | | | |
|-----------------------|--------|---|
| 6. C-46 aircraft | 2 | Quotations were requested for November 30 on |
| C-47 aircraft | 8 | which date CCC informed the Israeli authorities |
| | | that no quotation could be provided. We have |
| | | learned that this is because there are no such air- |
| | | craft available, the total supply having been tak- |
| | | en up for the DEW programme. J.I.B. has |
| | | commented that these ten aircraft would nearly |
| | | double the known transport capacity of the Israeli |
| | | air force. |
| 7. 25-pdr. shot | 1,754 | All concerned having approved, we have in- |
| | rounds | formed CCC that an export permit may be grant- |
| | | ed. This is a small and routine shipment, but one |
| | | which the Israelis have regarded as urgent. |
| 8. "Sexton" S.P. guns | 24 | These are not at present available but Mr. Comay |
| | | has reminded us that his government would wish |
| | | to purchase if the guns could be found. |

560.

DEA/50000-B-40

*Note du sous-secrétaire d'État aux Affaires extérieures
pour le secrétaire d'État aux Affaires extérieures*

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

SECRET

[Ottawa], December 21, 1955

EXPORT OF ARMS TO ISRAEL

There is set out below a summary of the present status of the various outstanding requests to which Mr. Sharett referred and on which you undertook to try to give him some satisfaction. I thought you might wish to have this in preparation for your meeting on Friday with Mr. Comay, although I understand you do not intend on that occasion to go further than express the hope that we will be able to give him answers before long on the outstanding items.

I—40 mm. A/A guns

The Israelis requested fifty of these guns. After your discussion with Mr. Sharett I informed Mr. Comay that we had no objection to the release of these guns in the present circumstances, fortunately adding the qualification that we were not aware of the supply situation. We have now learned¹⁵ that there is a supply of these guns on hand, but that they are all required at present by our own forces. The staff are conducting a study to determine whether they should be retained in service or replaced by a somewhat more modern weapon of the same general type to fill the gap until really modern ("the Buck Rogers variety") anti-aircraft weapons come into service. This study will not be completed until about mid-February. If it is decided to retain these guns in service there would be none available for an indefinite period, while some might become available during 1956 if the decision is to replace them with the newer model of the same type of weapon.

¹⁵ Note marginale :/Marginal note:
Why only now? [L.B. Pearson]

II—3.7 A/A guns

The Israelis have requested twelve of these guns and a supply of ammunition. As in the case of the 40 mm. guns, Mr. Comay has been informed that we would be prepared to release the guns if they are available. We have now learned that there are none of these guns available, the total stock having been offered to NATO countries as mutual aid and allocated by the Standing Group.¹⁶ The Israelis are no doubt annoyed, since they are aware that a supply of these guns was available only a few months ago. I do not know whether the Israelis already possess some of these guns and would therefore follow up the request for the ammunition even if they cannot get the twelve guns.

III—6-pdr. A/T guns

The Israelis have requested seventy of these guns, and I am informed that a supply of 160 is available. Both the U.K. and U.S. authorities have expressed misgivings, however, and we have been informed that the latter "would be reluctant to make a commitment of this nature (seventy 6-pdr. A/T guns) at present. While the quantity requested is not exceedingly high it is considered sizeable." The guns, moreover, have a mixed offensive-defensive capacity and are thus in a different category from the purely defensive A/A guns.

Despite these considerations there would probably be no insuperable difficulty about releasing some of these guns if you consider it desirable. It is interesting that they are regarded by our service authorities as completely obsolete. The supply is still available, incidentally, because no NATO country has considered them worth picking up as mutual aid. On the other hand, what is obsolete in the NATO context may not be unimportant in the Middle East, and the United States reservations may be fairly well founded.

IV—.30 calibre Browning machine guns

The current order, in process of delivery, is for 200 guns to be shipped in batches of 60 every three months. Deliveries were made in June, September, and at the beginning of this month, so there are now only 20 guns outstanding. The Israelis originally wanted to order a total of 800 guns, but the figure of 200 and the arrangement for spread delivery were decided on the basis of a J.I.B. recommendation. The Israelis no doubt consider that their request for the additional 600 guns is still under consideration, and probably it is these and not the 20 outstanding from the current order which they have had in mind recently in pressing for acceleration of delivery or outright release of the balance. While you were prepared after your talk with Mr. Sharett to release the balance of the order, I did not take up this point in any letter to Mr. Comay since we were not sure how this decision should be applied when there were both a small current and a large proposed order involved.

The Director of the J.I.B. has told us that concern to preserve a balance of strength between the Israelis and Arabs was behind their recommendation last spring that only 200 guns be released and the delivery spread over the year. He feels that the judgment on these weapons is now primarily a political one, in view of prospective increases in Arab strength. There would thus appear to be no real objection on technical grounds to releasing some or even all of the additional 600 guns requested by the Israelis. On the other hand, to increase the rate of delivery (if you should decide to approve a further release) might imply acceptance of the argument that the West should increase arms deliveries to Israel in response to the Czecho-Egyptian deal. This would be an important political decision which as far as we know has not at least as yet been taken by any Western country.

J. L[ÉGER]

¹⁶ Note marginale :/Marginal note:

Why weren't we told this before? L.B. P[earson]

561.

DEA/50000-A-40

*Note du chef de la Direction européenne
pour le sous-secrétaire d'État aux Affaires extérieures*

*Memorandum from Head, European Division,
to Under-Secretary of State for External Affairs*

SECRET

[Ottawa], December 23, 1955

ARMS FOR ISRAEL

The Minister received the Ambassador for Israel this morning and had almost an hour's discussion with him concerning the situation in the Middle East, about which I am reporting in a separate memorandum.† During the course of the discussion Mr. Comay inquired as to the status of the Israeli request for arms from Canada.

2. Mr. Pearson replied that, as the Ambassador already knew, the 40 m.m. A/A guns and the 3.7 A/A guns were no longer available. He apologized for this and said that our Department simply approved or disapproved requests on political grounds and were not necessarily aware of the supply situation. He said that if these guns did become available again that they would be supplied to the Government of Israel. He suggested that Mr. Comay keep in touch with the Canadian Commercial Corporation.

3. Passing on to the anti-tank guns and the Browning machine guns, Mr. Pearson said that he thought that we had better wait until the Security Council had passed judgment on the Syrian complaint against Israel. He expected this would be some time in the New Year. It might prove embarrassing at the present moment for the Canadian Government to approve the shipment of arms to Israel when a rather serious charge against it was under discussion in the United Nations.

4. Mr. Comay said that he understood and would get in touch with us again in the New Year. He expected that there would be a mildly condemnatory resolution passed by the Security Council but he did not believe anything more serious than that would happen. He said he thought the U.S.S.R. would be reluctant to sponsor the Syrian resolution since this would put the Soviet Union firmly in the Arab camp and draw the line too sharply. He did not think any other member of the Security Council would take up the Syrian charge. Mr. Pearson agreed.

5. With regard to the machine guns, Mr. Pearson only mentioned the speeding up of delivery, so that this misunderstanding may still exist in Mr. Comay's mind. I would suggest that we now firmly dispel this, and that a firm recommendation should be made to the Minister concerning the remaining 600 machine guns. My personal opinion is that, having failed to fulfill the promise to Mr. Sharet with regard to the A/A guns, we ought to make an effort to provide the machine guns. If we do approve, then I think this decision should be communicated in due course to Mr. Comay, provided the Security Council does not produce a severe condemnation of Israel.¹⁷

R.A.D. FORD

¹⁷ Note marginale :/Marginal note:

We should perhaps wait until the Security Council has taken action before going back to the Minister on this. J. L[éger]

2^e PARTIE/PART 2RELATIONS ARABES-ISRAÉLIENNES
ARAB-ISRAELI RELATIONS

562.

DEA/50134-40

*Le secrétaire d'État aux Affaires extérieures
au chargé d'affaires en Israël**Secretary of State for External Affairs
to Chargé d'Affaires in Israel*

DESPATCH S-16

Ottawa, January 14, 1955

SECRET

RELATIONS BETWEEN EGYPT AND ISRAEL

On December 24, 1954 the Ambassador of Israel in Ottawa approached the Department about two matters which he said were aggravating the already uneasy relations between Egypt and Israel. The points he made may be summarized as follows:

(a) *The Bat Galim Case.* The Israelis are not interested in winning a debating point; they consider that the debate was won when the Security Council passed its resolution of September, 1951 calling upon the Egyptian authorities to terminate the restrictions on shipping in the Suez Canal bound for ports in Israel. Nor will the Israelis be content with the release of the ship at the southern end of the Canal, nor its cargo (or compensation for it) and crew, all of which the Egyptians have now promised. The Israelis want a practical solution which will result in the removal of interference by the Egyptians which has done much to cripple the economy of Israel. Mr. Yafeh had made these points clear when he, as Chargé d'Affaires of the Israeli Embassy, asked the Department on December 7 to instruct Canadian representatives to use their influence on members of the Security Council in order to promote Israel's case.

(b) *The "Spy" Trials in Egypt.* The Israelis charge that the thirteen persons of Jewish origin, who have undergone trial before a military court in Cairo, have been bullied into confessing crimes which they did not commit. The Prime Minister of Israel recently announced that the trial had evoked a storm of indignation in Israel and all over the Jewish world and he had called upon "all those who uphold peace, stability and human relations between nations to prevent this dangerous miscarriage of justice". In making this request specific as regards the Canadian Government, Mr. Comay said that the death sentence in these "spy" cases would have serious repercussions in the Middle East and that the United States had undertaken to make representations to the Egyptian authorities.

2. Following this *démarche* we asked our missions in London and Washington to consult with the appropriate authorities to determine whether the Israelis had made a similar approach and, if so, what action had been taken or contemplated by the United Kingdom and United States. In due course we were informed that separate, oral and unofficial approaches to the Egyptian authorities had been made by the United Kingdom and the United States representatives in Cairo, who had urged that restraint be exercised in the conduct of the trial and had emphasized the repercussions which might result if the death sentence were to be imposed. The United Kingdom Chargé d'Affaires had reported his opinion that his representations had been sympathetically received and, in view of the rea-

sonable manner in which the trial was being conducted, the Foreign Office seemed hopeful that the sentence would not be unduly harsh. The United Kingdom information suggested that "the accused were engaged in mild espionage and sabotage". The information supplied by the United States authorities tended to confirm the foregoing but they believed that the Egyptian court might be obliged to impose the death penalty because of the execution of members of the Muslim Brotherhood as "enemies of Egypt". The State Department seemed uneasy about the consequences of such action by the court.

3. In the meantime we had reviewed the factors which we believed should govern our reply to Mr. Comay's *démarche*. It seemed to us to be related to Mr. Sharett's foreign policy statement in the Knesset on November 19, 1954. Referring to Arab-Israeli relations, he had singled out Egypt for criticism, mentioning the refusal to allow Israeli ships to pass unmolested through the Suez Canal, the continued sabotage and bloodshed along the Gaza Strip, and the "show trial" of a group of Jews in Egypt who had been falsely accused of plotting in favour of Israel. He had described these developments as evidence of a lack of international responsibility and moderation on the part of the Egyptian Government and added (no doubt for home consumption) that the Nasser régime should realize that Israel's restraint in the face of this persistent provocation was due solely to its wish to test the ability and willingness of the Egyptian authorities to curb aggression and restore order.

4. Mr. Sharett's statement seemed to spark a new Israeli drive for diplomatic support. The drive appears to have at least three aims: to win recognition for Israel's profession of peaceful intent, to compel Egypt to lift the Suez blockade and to discredit the Government of Egypt in the eyes of the world. This policy reflects, we believe, (a) the disappointment which Israelis suffered because the Anglo-Egyptian Agreement on the Suez Canal offered no guarantees to Israel concerning its security or its right to make peaceful use of the Canal;¹⁸ (b) Israel's apprehension about the recent trend in United States policy toward arming the Arabs against communism; (c) Israel's sense of isolation in a hostile environment; and (d) the frustration and hardship in Israel resulting from the economic boycott and blockade imposed by the Arab states.

5. The link between these underlying factors and some of the particular events is often obscured by the criss-cross of argument and propaganda from both sides. The link is there nonetheless. As regards the Bat Galim case and the spy trials, the Egyptians have tried to justify their refusal to terminate the restrictions on Israeli shipping by arguing that Israel has aggressive intentions: The Bat Galim's crew of ten was depicted clumsily as a murderous crew which fired upon helpless Arab fishermen in Egyptian waters. The Egyptians have also argued that Israeli shipping, if allowed to pass through the Canal, would clandestinely carry Israeli spies and saboteurs into Egyptian territory. The present trials at Cairo are represented as evidence of Israeli designs in that direction. For their part the Israelis wish to show that they want peace, that it is the Arabs who maintain the warlike measures. Thus, as in the recent statements before the General Assembly, each side tries to blacken the reputation of the other.

6. There are domestic reasons why the Egyptian authorities might maintain, at least for the time being, their hostility toward Israel. Nasser has successfully negotiated for the withdrawal of the foreign troops; he has stamped on the internal enemies in the Muslim Brotherhood. He has from time to time also blamed the Zionists and communists for Egypt's troubles. He has held sway over the Egyptian public by posing as the vanquisher of all evil. One of the greatest evils, built largely by propaganda, is the usurper state of

¹⁸ Voir/See *Documents on International Affairs, 1954*, London: Oxford University Press — Royal Institute of International Affairs, 1957, pp. 248-254.

Israel. To root out all vestiges of that evil is a popular aim and one which helps the Egyptians forget the shame of the Palestine War of 1948. Undoubtedly these considerations influence the Nasser régime which to date has barely scratched the real problems of Egypt, in the economic and social field. Because the Nasser régime is perhaps the last chance for stability in Egypt, it should not be condemned too strongly for resorting to those tactics in order to survive.

7. The Israel Government too has domestic problems. It is under strong pressure to take positive action to end the stalemate in relations with the Arabs, the frustration of the elaborate Zionist dreams, the hardship of day-to-day living with a distorted economy. Violence along the borders with Egypt, the seizure of an Israeli ship and crew, the trial of Jews in Egypt serve as fire in the hands of the militant nationalists. Mr. Sharett, who has shown commendable moderation, is hard pressed and looks for outside support so that he will have an answer for the extremists pressing for retaliatory action. The death penalty, imposed on Jews by an Egyptian military court, might ignite a spark too hot to handle. Mr. Comay tried to promote this impression but he may well have overstated the possible effects of a harsh sentence by the Egyptian court in order to win our support.

8. In addition to the foregoing considerations we had to bear in mind our own interest in developing friendly relations with all the countries in the Middle East. Whereas for a variety of reasons we can be reasonably assured that our relations with Israel are on a sound footing, we have less reason to be complacent about Canada's relations with the Arab states. There are high barriers of race, language and religion to be overcome and a deep-rooted suspicion and distrust which the Arabs have for all Westerners. Our missions in the Arab states will therefore have no easy time winning friends for Canada and task would be made all the more difficult, if the Canadian Government were to play too active a part in Arab-Israeli disputes, especially in promoting the cause of Israel. In particular, we believe that the future of our diplomatic mission in Egypt should not be jeopardized so soon after its establishment by pressing too vigorously Israeli contentions which may not be as well founded as spokesmen for Israel might make them appear. To illustrate from the present *démarche*, while we are reasonably satisfied that Israel has the legal right on its side in the Bat Galim affair, we conceive that Israeli agents may be operating, however ineffectively, in Egypt.

9. In the light of these factors it was decided:

(a) *As regards the Bat Galim* that we should continue to consult informally with the United Kingdom, the United States and perhaps France on the steps which might be taken to bring about a termination of Egyptian restrictions on Israeli shipping in the Suez Canal. If we should see some opportunity for Canada to make a useful intervention, we might consider whether the Canadian Government should do so.

(b) *As regards the "spy" trials in Egypt* that we should take no action beyond consulting with the United Kingdom and United States authorities. It seemed most unlikely that an approach by our newly established mission would add anything to the influence already exerted by United Kingdom and United States representatives in Cairo. Such an approach might, indeed, provoke resentment because the Western powers were "ganging up" on Egypt.

10. Accordingly on January 11 Mr. Comay was informed orally along the following lines:

(a) Although the Department has looked with sympathy on Israel's claims to unimpeded passage for its shipping in the Suez Canal, because Canada is not a member of the Security Council, the Canadian authorities are reluctant to intervene in the Bat Galim dispute while

that body has the matter under consideration. We are, however, following the proceedings closely.

(b) As regards the trial in Egypt, Canadian authorities view with concern the prospect of increased tension in the relations between Israel and Egypt, a result which the imposing of the death sentence might produce. The Department has, however, no special knowledge of the matter and does not consider itself competent to take sides. It is doubtful, moreover, whether the new Canadian Ambassador in Cairo, who has so recently presented his credentials, would be able to influence the Egyptian authorities to any extent in a matter as important as the "spy" trial. The Department had instructed the Ambassador to send a full report on the matter.

Mr. Comay made no comment but we believe he was not surprised by the answer he had received.

11. Except for the preceding paragraph, this despatch is largely for your own information on Departmental thinking about the two problems which have arisen in Israeli-Egyptian relations. If you are approached on these subjects you should be guided by the policy decisions stated in paragraph 9 and by the summary of what was said to Mr. Comay on January 11. We shall be glad to have your comments on these matters.

J.A. CHAPDELAINE
for Secretary of State
for External Affairs

563.

DEA/50134-40

*Note du sous-secrétaire d'État aux Affaires extérieures
pour le secrétaire d'État aux Affaires extérieures*

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

SECRET

[Ottawa], March 24, 1955

ARAB-ISRAELI RELATIONS: THE GAZA INCIDENT

General Burns will arrive in Ottawa on the evening of March 24 and before leaving for Palestine on March 27 he hopes to see you. We had prepared this interim report on the Gaza incident in the expectation that you might have an opportunity to discuss it with Gen. Burns. The assessment (particularly para 9.) is based in part on General Burns' report to the Security Council and on some informal suggestions he made to Mr. David Johnson about the situation in Palestine. We had asked Mr. Johnson to sound out General Burns on some of the broader implications of the Gaza incident. His views were contained in telegram No. 192 of March 18† from New York which is attached.

2. On March 17 General Burns submitted his report to the Security Council on the Gaza incident of February 28. The facts gave full support to the resolution of March 6 of the Mixed Armistice Commission which condemned Israel for the "prearranged and planned attack." General Burns did not place any particular emphasis on this condemnation and devoted much of his report to setting forth the "state of affairs on the demarcation line" along the Gaza Strip in the several months preceding the incident. In his opinion "it is most important to assess the causes contributory to this very grave incident with a view to persuading the Parties to modify their attitudes and so prevent still further deterioration of the situation."

3. Annexed to the report was a complete list of the complaints lodged by both sides during the period November 1954-February 1955. Referring to some of these General Burns said that the number of casualties reflected the "comparative tranquillity" along the armistice lines prior to the Gaza incident. He found, however, that "the recurrence at more or less frequent intervals of shooting incidents along the demarcation lines, the much more frequent cases of crossing of the line by infiltrators and their activities in Israel helped to maintain a state of greater or lesser tension, which was increased by the emotion created in Israel by the Bat Galim case (in December) and, in January, by the trial in Cairo of Jews charged with espionage and the condemnation to death of two of the defendants." As for the immediate cause of the Gaza incident, General Burns had heard allegations by Israeli spokesmen about espionage and sabotage in Israel which they said were being conducted by the Egyptian military authorities in the Gaza Strip. Several incidents between February 23 and 25 were connected by Israel Army officers with previous activities of the Egyptian intelligence service during the past year. According to General Burns, "the Gaza incident could appear in this context as retaliation for the spying, sabotage and murders for which the Egyptian military intelligence service was said to be responsible." He explained that the United Nations Truce Supervision Organization had not made formal representations about these Egyptian activities because the Israelis had lodged only two formal complaints about them and had adduced no supporting evidence.

Attitude of Egypt

4. In the course of its investigations UNTSO had been told by the Egyptians that the infiltrations and other acts of which the Israelis complained were largely inspired by political elements in Egypt inimical to the Nasser Government. The Egyptians complained too of armed Israeli reconnaissances deep into the Gaza Strip. At the Security Council on March 17 the Egyptian representative did not discuss these matters, although he reserved the right to deal later with matters raised in General Burns' report. Mr. Loufti concentrated on the condemnation of Israel for the "violent and premeditated ... act of war" which he called "the latest of the already long series of systematic acts of aggression conducted by Israel against the Arabs." He charged that Israel was trying to confuse the issue by introducing extraneous allegations about the general situation in the Middle East, tactics which he implied followed a familiar pattern based on the Israel belief that peace could be imposed by force. He referred to the restraint exercised by the Egyptian leaders in the face of severe provocation and public indignation in Egypt.

Attitude of Israel

5. On March 17 the Israeli representative at the Security Council asked to postpone his statement because many of the observations which he proposed to make related to the matters "authoritatively described in the report submitted by the Chief of Staff." On March 23 he called upon the Council to condemn Egyptian "incursions, murders, demolitions and sabotage" which he said had been officially described as "a main cause of the present tension." Reports from the Canadian Ambassador in Tel Aviv, who had an interview with the Prime Minister of Israel shortly before the incident and who had discussed it with some of his colleagues, leave no doubt that the Gaza attack was carefully planned and fully approved by the Israel Government. In addition to the causes mentioned by General Burns (para. 2 above), the Israeli authorities have been under growing public pressure because of (a) the continuing frustration and economic hardship arising out of the unresolved dispute with the Arabs; (b) the widespread and demoralizing sense of isolation which the recently signed Turkish-Iraqi Pact served to emphasize acutely; (c) the influence of the vocal and closely-knit extremists who have always thrived in times of militant action; (d) the state of

siege which has prevailed in Israel since its inception; (e) and the forthcoming election which requires the ruling Mapai party to strengthen its position. These pressures have been operating in varying degrees during the past year. Almost all of them work against the policy of restraint which Mr. Sharett has tried to follow. In Mr. MacDermot's view Mr. Sharett may have been unable to withstand those pressures, which have greatly added to his heavy burden as Prime Minister and Foreign Minister. The return of Mr. Ben Gurion to the Cabinet not only bears out that assessment but suggests that a revision of policy in the direction of more toughness in relations with the Arabs may ensue.

Attitude of the Great Powers

6. In their statements at the Security Council the representatives of all the Great Powers deplored in varying degrees the Israeli attacks on Gaza. Mr. Sobolev, of course, spread the blame for the tension in the Middle East to include those states who followed a policy of forming military blocs. Immediately after the incident, when the *prima facie* evidence was against Israel, the United Kingdom and United States representatives in Tel Aviv expressed concern to the Israeli authorities. The United States, we understand, has temporarily suspended its consideration of Israeli requests for arms although some minor shipments already approved are being processed. The United Kingdom has formally told Israel that the previously approved shipment of Centurion tanks will be suspended for the time being. We gather that if the Gaza incident is interpreted by those powers as a change of Israeli policy in the direction of more toughness, there is likely to be a strong reaction in both London and Washington which will be reflected in future policy on arms shipments to Israel. The United States and United Kingdom apparently favoured a strong condemnation of Israel by the Security Council but their attitude has been tempered by that of France, which tends to favour a broader examination of the circumstances leading to the Gaza incident.

Action by the Security Council

7. In these circumstances it seems likely that the Security Council will endorse the UNTSO condemnation of Israel but without recommending punitive measures and will try to avoid a recurrence of such incidents by urging the parties to cooperate with UNTSO in improving the truce supervisory machinery. Appendix VIII of General Burns' report recommends "Arrangements for the Purpose of Preventing Incidents in the Gaza Area." These include the issuance by the Governments of strict orders to the responsible local authorities to suppress illegal crossing of the demarcation line, the employment of only well-trained and disciplined regular military or police personnel in the border zone, the coordination of the efforts on both sides to prevent infiltration, and the rapid consideration by both parties of complaints about infiltration, in close cooperation with the Mixed Armistice Commission. In the body of his report General Burns referred to measures which he had already recommended to the two parties, including border patrols along the sensitive sections of the demarcation line, barbed wire obstacles in specified areas and the negotiation of a local commanders' agreement. He added that his negotiations on these measures were still in process. General Burns believes that if an agreement were effected along the lines of his suggestions and if the parties cooperated fully, infiltration could be reduced "to an occasional nuisance" and one of the most serious causes of tension would thereby be considerably reduced.

Assessment

8. Any assessment at this stage is interim but the following conclusions seem soundly based:

(a) The Israelis are pleased and the Egyptians and other Arabs disappointed with General Burns' report which has called attention to the wider implications of the Gaza incident. However, the present indications are that Israel will not be as pleased with the results of the debate in the Security Council because, although the condemnation may be relatively light, the action to be recommended will not deal with the underlying causes of tension — the continuance of the cold war in the Middle East — the refugee problem, the hate campaign in the opposing camps. Thus another "test case", this time put forward by Israel by very drastic means, will have failed to obtain concrete results.

(b) There is unlikely to be retaliation in force by Egypt, either alone or in combination with other Arab states. In toning down the publicity about the Gaza incident, and in making no drastic military moves in the area, the Nasser Government has demonstrated its desire not to be stampeded into a renewal of hostilities with Israel. The Israelis have developed military strength which is capable, for the time being at least, of dealing with any attack the Arab states could mount. Both sides know this.

(c) If the Security Council should endorse General Burns' suggestions for improving the truce machinery and if the parties heed the calls to co-operate, there can be real improvement in the situation along the Gaza Strip, just as there has been improvement along the demarcation line between Israel and Jordan as the result of close cooperation between UNTSO and the authorities on both sides. Minor incidents will no doubt continue in all areas, since no system of supervision can cope with all the infiltration, especially that in the more remote areas. The danger-spot for new clashes on a large scale appears now to be the Israel-Syrian border. Incidents there have increased in recent weeks; the Syrians resented the Israeli action in forcing a Syrian civilian aircraft to land in Israel; and the Israelis have been calling for the release of four soldiers now held for trial in Syria on charges of espionage — charges which evidence collected by UNTSO tends to support.

(d) The pressures within Israel will continue to be exerted on the Government once the exhilaration of the "Gaza victory" has worn off. The brakes applied by Mr. Sharett are likely to be less effective as Mr. Ben Gurion becomes more firmly established in the Cabinet. The recurrence of acts of toughness may follow, although the adverse reaction of the Western Powers to the Gaza affair may produce hesitation in Israel.

(e) A recurrence of violence on that scale will solve nothing — not even the immediate problem of infiltration. The possibility of negotiated peace between Israel and the Arab states will be pushed farther afield. The Arab leaders, some of whom had begun to talk privately of accepting the fact of Israel, will be less disposed than ever to recognize that fact publicly. Arab revenge will be plotted and performed. In these circumstances the Israel authorities may be inclined to bigger and better acts of violence, especially if they should see the Arabs growing disproportionately stronger as a result of military and economic aid from the West.

9. This pessimism in the foregoing conclusions reflects the setback, which the Gaza incident has given, to the development in recent months toward a more favourable atmosphere for peace in the Middle East. This situation has by no means been reversed, particularly if the Gaza affair is a momentary flash of defiance and annoyance rather than a new trend toward toughness, on the part of Israel. The following measures might help to recover the ground lost through the Gaza incident:

(a) In addition to the Security Council's condemnation of Israel and its recommendations for improvement in the truce machinery, the Western powers should try to persuade Israelis, whenever the opportunity arises and preferably without too much irritation to them, that the need for restraint in the face of Arab provocations, especially the infiltration, is

great. Israel should be urged to abandon its periodic reprisal raids, which reduce rather than increase the possibility of a negotiated peace.

(b) Israel and the Arab countries should be encouraged as much as possible to cooperate with UNTSO.

(c) Steps should be taken to counteract Israel's sense of isolation. Concurrently with the progress toward a system of collective security in the Middle East, which for the time being cannot include Israel, some form of guarantee should be given to Israel that its integrity and independence will be maintained. Of necessity, this attitude should be reflected in the approval of supplies of arms to the Middle East, although it seems inevitable (and perhaps desirable) that the Arab states will receive a proportionately larger share.

(d) Somehow a start must be made to remove the underlying causes of tension between Israel and the Arab states. The greatest obstacle is the refugee question which plays a very important part in the domestic politics of most of the Arab states. Before any positive step can be taken the Arabs must accept two facts: that Israel has come to stay and that, except for a very few, most of the refugees will be resettled in Arab lands. Even at the risk of antagonizing the Arab leaders, no opportunity should be lost to persuade them to move in that direction.

10. In the two preceding paragraphs we may have stretched somewhat the implications of the Gaza incident. A final assessment cannot be made until after the decision of the Security Council. However, I thought it might be useful to let you have this interim report on the incident. While at this time I am not recommending any specific action, I think the time may have come for us to reappraise our own attitude toward Arab-Israeli relations, in particular to determine (a) whether we should try to persuade one side or the other, or both, in accordance with the tentative conclusions in this memorandum, or such others as we may reach as a result of the reappraisal; and (b) whether any modification of our attitude toward the shipment of arms to the Middle East is desirable.

J. L[ÉGER]

564.

DEA/50134-40

*Note du sous-secrétaire d'État aux Affaires extérieures
pour le secrétaire d'État aux Affaires extérieures*

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

SECRET

[Ottawa], September 15, 1955

ARAB-ISRAEL RELATIONS: MR. DULLES' SPEECH IN NEW YORK

The Dulles Proposals

Attached is the text of the speech on the Middle East which Mr. Dulles delivered before the Council on Foreign Relations in New York on August 26.¹⁹

2. The Secretary of State, speaking specifically with the authority of President Eisenhower, suggested broad outlines for a general settlement of the Arab-Israeli dispute and indicated what the United States was prepared to do in order to contribute to such a settlement. The main points he made were:

¹⁹ Voir/See United States, Department of State, *Bulletin*, Volume XXXIII, No. 845, September 5, 1955, pp. 378-380.

(a) *Refugees*: An international loan would be made to Israel to enable the payment of compensation; aid would be forthcoming for water development projects to facilitate resettlement and repatriation where feasible.

(b) *Security*: If other related problems could be solved, the United States would be disposed to join formal treaty arrangements to guarantee Israeli-Arab borders; he hoped that other countries would join in the guarantee and that it would be sponsored by the United Nations.

(c) *Boundaries*: Permanent borders must be negotiated and some adjustments would be necessary.

(d) *Related Problems*: These, such as economic questions and the status of Jerusalem, should be soluble if agreement were reached on the main issues.

3. The United Kingdom immediately gave public support to Mr. Dulles' proposals (text of United Kingdom Government's statement of August 27 attached).²⁰ The Australian and New Zealand Ministers for External Affairs and the Prime Minister of Ceylon also made statements of general endorsement. The French Government issued a communiqué on August 28 expressing close interest in Mr. Dulles' suggestions.

4. We were given prior notice of the speech of a few days by Earnscliffe and of a few hours by the United States Embassy. Both the United States and United Kingdom Governments have expressed to us the hope that the Canadian Government will also be able to support the statement. Pertinent extracts from the aide-mémoires† from Earnscliffe and the United States Embassy read as follows:

"The United Kingdom Government hopes that the Canadian Government will also be prepared to give Mr. Dulles' statement their public support." (Earnscliffe)

"It is hoped that the Canadian Government will feel able to indicate to the parties in question that they should work towards a solution and that it believes the proposals made by the United States point the way to an eventual settlement." (United States Embassy)

United States and United Kingdom Views

5. Our Embassy in Washington reported that Mr. Dulles had for some time been considering the idea of making public proposals which might provide a fresh basis for progress towards an Arab-Israeli settlement. Timing became a matter of urgency when insistent Israeli requests for security guarantees were accompanied by mounting domestic pressure from Jewish groups in the United States. The United States Government is opposed to giving separate guarantees to Israel. It is hoped that the Dulles statement might contribute constructively to a settlement of Arab-Israeli disputes and at the same time lift the issue in the United States above the level of party politics. The State Department suggests that it might be possible for the Arab Governments to accept less than their public demands for implementation of the United Nations resolutions, if they could point to the pressure of world opinion. The United States Minister described the Dulles speech to us as a first step in letting it be known that the United States considered that a settlement between Israel and the Arabs must be made.

6. The United Kingdom Government realized that the initial reaction to the statement in the Middle East was likely to be unfavourable. It hopes, however, that the parties will

²⁰ Voir/See *Documents on International Affairs, 1955*, London: Oxford University Press—Royal Institute of International Affairs, 1958, p. 365.

eventually be brought to discuss with the United States and the United Kingdom the possibility of a settlement.

Departmental View

7. Our preliminary view, within the Department, was that the Dulles outline might indicate the shape of an eventual settlement. It should not, in the main, be objectionable to the Israelis, while the Egyptian Foreign Minister, in his conversations with you last July,²¹ suggested that, in his opinion, there might be a possibility of a settlement of the Arab-Israeli problem somewhat along these lines.

8. We were concerned, however, that the Arab Governments, if *publicly* confronted with peace proposals of this character by the West, especially at this time, with the resumption of serious armed clashes between Israel and Egypt, would feel compelled to adopt firmer positions against them than they might be disposed to do in private conversations. Dr. Fawzi, you will recall, made this point in his discussions with you. It was repeated to us recently by Mr. Yafeh, the Israeli Chargé d'Affaires, who, discussing the Dulles proposals, expressed the personal opinion that they should be acceptable in principle to Israel but they should not have been made publicly, since they would be bound to draw immediate press attacks in the Middle East, which would make their consideration by governments more difficult. We also feared that the Dulles speech would be attacked by the Arabs as espousing too much of the Israeli position, particularly since, in the section dealing with border adjustments, no mention is made of Arab right of access to the Negev to link Jordan and Egypt, which can be assumed to be a *sine qua non* for the Arabs.

9. The Dulles proposals contain nothing essentially new but they draw together suggestions which have been made at various times in the past by the United States and United Kingdom spokesmen. Moreover, they serve to express emphatically the concern of the West over the continuance of conditions of war in the Middle East. What they purport to do, in effect, is to get the Arabs to negotiate on the basis of the existence of the Israeli state — which is the crux of the problem.

Arab-Israel Reactions

10. All Arab countries and Israel were informed in advance of the substance of the Dulles speech and were asked to give careful consideration to the proposals contained in it.

11. Immediate official reactions in Egypt, Lebanon, Syria and Jordan were non-committal. However, the Iraqi Prime Minister told the United Kingdom Representative confidentially that the Dulles statement was a helpful contribution. The State Department was somewhat encouraged that the Egyptian Government indicated willingness to consider them seriously and with moderation. The United States Ambassador in Cairo, however, told our Chargé d'Affaires that Colonel Nasser, on receiving a copy of the statement, seemed "disappointed and it was obvious that he was expecting something more specific and favourable". The United Kingdom Ambassador reported Dr. Fawzi as being not unsympathetic. Mr. Trevelyan does not expect an early or very favourable response from Egypt but foresees the possibility that Egypt may eventually be prepared to explore the proposals, depending on the Israeli reaction. The State Department does not intend to press the matter unduly.

12. The Egyptian news services are reported by our Embassy in Cairo to have taken a firm and increasingly critical stand against the proposals as reflecting too much the Israeli point of view. Public reaction in Lebanon has been cool but not fanatically hostile and

²¹ Voir/See Document 566.

responsible papers have urged that the proposals should not be rejected without careful consideration. The Lebanese and Syrian press have now virtually ceased comment pending official leads and the tone of the Jordan press has been moderate, probably at official request. Our Chargé d'Affaires in Beirut has expressed the opinion that the apparent deliberate imprecision of Mr. Dulles' statement seems to have had the beneficial effect of not obliging the Arabs to commit themselves prematurely on specific points of controversy.

13. We understand that the Pakistan Minister to Syria, Jordan and Lebanon has privately urged the Syrian Government to study Mr. Dulles' statement carefully and to submit counter-proposals, if necessary, rather than reject the plan. He may speak similarly to the Governments of Lebanon and Jordan. The former Prime Minister of Syria, who recently resigned, told the United States Ambassador that he personally thought that Mr. Dulles' reference to repatriation of refugees represented a considerable step forward. He expressed the personal opinion that moderate Arab leaders should remember that it is dangerous to believe that time is on the Arab side in the dispute with Israel. He thought that the frontier between Israel and Syria would be relatively easy to adjust and that, if Jordan and Israel should negotiate a separate frontier agreement, other Arab states would probably not object. The Deputy Foreign Minister of Lebanon informed the United Kingdom Embassy that the Lebanese Cabinet's initial reaction to Mr. Dulles' statement was favourable. He regretted the hasty, unofficial condemnation which was published in the Syrian press.

14. The Canadian Chargé d'Affaires in Tel Aviv reports that Israeli officials are not likely to comment publicly on the Dulles statement until the new government is formed. He states that the preliminary reaction at the Foreign Ministry was to regard the pronouncement as an improvement on any which had previously come from the West. They entertain misgivings, however, over the following aspects:

(a) The establishment of permanent frontiers and settlement of the refugee problem as a condition for a Western security guarantee;

(b) The mention of border changes, which would possibly involve the Negev;

(c) Payment of compensation to Arab refugees without consideration of Israeli counter claims and without definite assurance that the money would be used for permanent resettlement of the refugees outside Israel;

(d) The reference to the possible repatriation of some refugees.

It is probable that Israel will eventually seek clarification from the United States on these and other points.

15. The Israeli press, with the exception of extremist organs, has guardedly recognized the statement as an effort to promote peace, which warrants careful consideration. It has also reflected misgivings, however, about the points mentioned above and has tended to be critical of the fact that the proposals were made publicly. Several newspapers have interpreted Mr. Dulles' passing reference to the Jerusalem question as an indication of a possible future revision of the United Nations resolution on Jerusalem.

16. The State Department are satisfied with the initial responses to Mr. Dulles' speech.

Canadian Attitude

17. The Canadian Press generally gave cautious approval to the speech, while recognizing the great difficulties in the way of solving the Arab-Israeli dispute. The Dulles proposals were regarded as a serious and earnest effort to bring about peace in the Middle East.

18. If you wish Canadian support to be given to the United States proposals, you may prefer that this should be done privately. This method would have greater impact, since a considerable time will have elapsed since the United States and United Kingdom state-

ments. It might also be advisable in view of the not too favourable press reactions in the Middle East. There are, moreover, to be taken into account, when considering a public statement, the implications of the proposed international loan to Israel and the border guarantees. While private support would appear to be the most effective method of exercising influence, and of avoiding trouble, this should not preclude a public statement, if at a press conference on your projected voyage, a question were asked. Notes† in the form of a question and answer have been prepared for you and are annexed to this memorandum.²²

J. L[ÉGER]

565.

DEA/50134-40

*Note du sous-secrétaire d'État aux Affaires extérieures
pour le secrétaire d'État aux Affaires extérieures*

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

SECRET

[Ottawa], November 30, 1955

ISRAEL-EGYPT RELATIONS

In his conversation with Mr. Sharett in Washington, Mr. Dulles put strongly to him the United States view that Israel would have to make some territorial concession as the Israeli price for a settlement. He said that, if Israel agreed in principle, the United States would at a later stage attempt to enlist as much support as possible in favour of negotiations, and he thought from recent reports that the chances of the Arab leaders agreeing were good. He has told Mr. Sharett he hopes to see him again on December 6th after his visit to Canada, in order to receive his answer. You will note from the attached telegram† that Mr. Dulles seems to have gone farther even than Sir Anthony Eden in his suggestions for a solution.

2. My tentative thinking is that the time has come to try to convince the Israelis of the following:

(a) The Western powers cannot force the Arabs to make peace at Israeli terms, thereby running the risk of driving them into the Soviet camp;

(b) War is no solution. Even if the Israelis were able decisively to defeat the Arabs, the latter would probably not make peace and would bide their time until they were strong enough for revenge;

(c) Israel's only hope is to try to negotiate a settlement, even if it involves some territorial concession, although no-one would expect Israel's territory to be "truncated." Israel's only chance of surviving is by making itself into an indispensable part of the economy of the Middle East;

(d) The so-called "abstract" concession of the Arabs — the recognition of Israel — in fact carries with it very great practical advantages for Israel;

(e) The West will not permit Israel to be exterminated as the result of an aggressive war, but would not countenance an Israeli preventive war;

²² Pendant son entretien avec Nasser, Pearson a indiqué que le Canada appuyait les propositions de Dulles. Voir le document 568.

Pearson indicated Canadian support for Dulles' proposals in his discussion with Nasser. See Document 568.

(f) The economic suffocation of Israel is likely to result if peace is not made. Israel cannot continue indefinitely to depend on outside economic help.

3. Mr. Dulles has not asked for our support, but I wonder if you think it might be worthwhile to mention some of the above points to Mr. Sharett, provided, of course, you agreed with this analysis. Even if they were put in a most general way they might help to convince him that we share in the United Kingdom and United States views that both sides must make concessions in order to achieve the only possible solution — a negotiated peace.²³

J. L[ÉGER]

3^e PARTIE/PART 3

ÉGYPTE EGYPT

SECTION A

VISITE DU MINISTRE DES AFFAIRES ÉTRANGÈRES À OTTAWA,
28-30 JUIN 1955

VISIT OF FOREIGN MINISTER TO OTTAWA, JUNE 28-30, 1955

566.

DEA/10170-C-40

*Note du secrétaire d'État aux Affaires extérieures
pour le sous-secrétaire d'État aux Affaires extérieures*
*Memorandum from Secretary of State for External Affairs
to Under-Secretary of State for External Affairs*

CONFIDENTIAL

[Ottawa], July 1, 1955

In the two conferences I have had with the Egyptian Foreign Minister during his visit to Ottawa, he brought up one or two political questions on which I should report.

1. On the general situation he agrees that there has been some easing of tension lately, but that we should be cautious. Egypt recognizes the communist imperialist threat and is strongly anti-communist, but is unable to take part in collective defence arrangements against communist aggression because of the Palestine situation and Middle East difficulties generally. In this regard, however, the recent settlement of the Suez question with the British represented a great step forward and removed one important source of division between Egypt and her Western friends.²⁴

2. Dr. Fawzi deplored the Turkish-Iraqi Pact as cutting across and interfering with wider and, he thought, more important Arab collective security arrangements.²⁵ It would have been far better, in his opinion, for delay in peripheral security arrangements in that part of

²³ Voir/See Document 569.

²⁴ En octobre 1954, l'Égypte et la Grande-Bretagne se sont entendues sur les modalités du retrait des forces britanniques de la zone du canal de Suez. Voir *Documents on International Affairs, 1954*, pp. 248-254.

In October 1954, Egypt and Britain agreed on the terms and conditions governing the withdrawal of British forces from the Suez Canal zone. See *Documents on International Affairs, 1954*, pp. 248-254.

²⁵ Pour une évaluation canadienne du Pacte de Bagdad, voir le document 570.

For a Canadian assessment of the Baghdad Pact, see Document 570.

the world until these more far-reaching plans could have matured. However, he recognized that they were now confronted with a *fait accompli* and, therefore, the Egyptian Government should do what it could to correct the situation. By this I gather he meant bring Iraq back into the Arab field and eventually possibly Turkey, though he felt that any security agreement with Turkey at this time was impossible. Dr. Fawzi, while regretful of these developments, expressed no bitterness or resentment, and spoke more in sorrow than in anger at what he considered to be, from the Egyptian and, indeed, from a broader point of view, an unfortunate and premature development.

3. *Palestine*. We had a long and frank talk about Palestine. He takes a very serious view of the situation and feels that if something is not done to improve it there is a real danger of war. The Arab states have 45 millions of people who are getting stronger economically and politically, and they are, without exception, adamant in their refusal to recognize the State of Israel in its present form and under present conditions.

I told Dr. Fawzi that I had in the past taken a view about Palestine which I realized had not made me very popular with Arab States. I felt, and still feel, that some form of Jewish state was essential. However, the past should not be allowed to confuse and determine the future, and the question, therefore, now was what could be done to remove the danger of war in that area. I asked him if he would give me his own views on this question. He said that he would answer my question in two ways, one formally and the other frankly. The first answer is the kind he would have to give in public, namely that there could be no peace until Israel accepted the United Nations resolutions. He realized, however, that this was not a feasible or practical proposition, and that no settlement could be reached on that basis, so he came to his second answer to my question, which, if he were taxed publicly with it, he would deny and disavow.

Two things had to be done before there could be any prospect of a negotiated settlement with Israel. First, the claims of the Palestine refugees to full compensation for material damage would have to be admitted and met. They also had a legitimate claim to non-material damage through having been evicted from their homes and their fatherland, but this, he realized, could not be met. The most satisfactory course would be to have the State of Israel pay full compensation, but if this could not be done then the United Nations should accept some part of the obligation. It would be a small price to pay for peace. Second, there would have to be a territorial adjustment in the south by which, I gather, Dr. Fawzi meant that Transjordan or Saudi Arabia would have to be given some part of the Negeb to link up with Egypt. He admitted that this would be difficult for Israel to accept, but he felt that it would surely not be too great a price to pay for peace and security. Israel in the long run would be a far better and stronger state without this territory, but without also the implacable hostility of her neighbours which, in the long run, would weaken and destroy her.

I told Dr. Fawzi that I thought that his approach was wise and moderate. He would recognize, of course, that concessions of this kind would be difficult for the Israeli Government to make and might result in extremists taking over if they were attempted. Dr. Fawzi felt that this was true, and yet with the proper kind of leadership the Israeli people might be brought around. I then asked him what would be the chances of public opinion in Egypt and the other Arab states accepting this solution, which fell short of their public demands. He thought it could be done and the fact that extremists on *both* sides would be angered might make it easier.

He hoped that we would do anything that we could here to advance the cause of a settlement in Palestine, and he did not seem to think that our past attitude on this problem

disqualified us in any way from exercising the right kind of influence. He said that Canadian views always commanded respect because of their sincerity and objectivity!

Dr. Fawzi expressed admiration for the work that General Burns was doing in Palestine. He said that he had won a deserved reputation for impartiality and honesty.

Dr. Fawzi hinted that it would be a good thing if I could speak to Dulles and Macmillan along the above lines and impress on them that a solution for the difficulties in Palestine *must* soon be found or there would be serious trouble.

4. We also talked about trade problems during which Dr. Fawzi expressed the hope that we might make progress in this field to the advantage of both countries. He realized that the possibilities of a big trade were not great, but he thought that there could be improvement. He also hoped that Canadian capital might find it worth while to invest in Egyptian development projects, possibly in joint schemes with Egyptians.

He was particularly anxious that we should co-operate in the development of atomic energy for civilian purposes. His visit to Chalk River had obviously made a great impression on him and he hoped that we would be able to make some of our knowledge in this field available to Egyptian scientists. He said that he had mentioned to Mr. Howe the possibility of sending two Egyptians to Chalk River for the above purpose. He was not thinking of a Canadian gift of a reactor to Egypt, so much as of the possibility that Canada might co-operate with and assist the Egyptian Government in the latter's plans to build one.

The Egyptian Foreign Minister was loud and obviously genuine in his praise of the friendly reception he had received in Ottawa. In his turn he has made a very good impression on all with whom he came into contact. He is a moderate, wise and honest person and if his views prevailed in Arab policies, we would have far more ground for optimism over developments in that part of the world than is at present warranted.

L.B. P[EARSON]

SECTION B

VISITE DU SECRÉTAIRE D'ÉTAT AUX AFFAIRES EXTÉRIEURES AU CAIRE,
10-12 NOVEMBRE 1955
VISIT OF SECRETARY OF STATE FOR EXTERNAL AFFAIRS TO CAIRO,
NOVEMBER 10-12, 1955

567.

DEA/50134-40

Note pour le secrétaire d'État aux Affaires extérieures
Memorandum for Secretary of State for External Affairs

CONFIDENTIAL

[Ottawa], October 20, 1955

EGYPTIAN-CANADIAN RELATIONS
(GENERAL, COMMERCIAL, EXPORT OF ARMS, IMMIGRATION)

General

A Canadian Government Trade Commissioner has been serving in Egypt since 1930. An Egyptian Consul-General was appointed in Ottawa in 1950 and the Consulate-General was raised to the rank of Embassy in August 1954. Mr. H.M. El-Hakeem, who had been Consul-General, became Chargé d'Affaires. The first Egyptian Ambassador to Canada,

Mr. El-Husseini El-Khatib, presented his credentials on May 3, 1955. Mr. Kirkwood, as first Canadian Ambassador to Egypt, presented his credentials to Colonel Nasser in Cairo on December 27, 1954. Concurrently with his appointment as Ambassador of Canada in Egypt Mr. Kirkwood is Minister to Lebanon but his main residence is in Cairo.

You will recall that during the political uncertainty consequent upon the abdication of King Farouk and the Anglo-Egyptian dispute over the Suez Canal base, the Canadian Trade Commissioner, Mr. J.M. Boyer, lost his life in riots which occurred in Cairo on January 26, 1952.²⁶ The riots were primarily anti-British but they also demonstrated the lack of control of the Nahas Pasha Government. Due compensation was paid to the Canadian Government by the Egyptian Government in December 1954, after more stable conditions had been brought about by the signing of the Anglo-Egyptian agreement on the Suez Canal Base (1953) [sic] and the assumption of power in Egypt by the Council for the Revolutionary Command under the then Premier General Naguib.

Canadian relations with Egypt have never been intimate, and have been complicated since the war by Canadian support in the United Nations of the establishment of the state of Israel. While Canada is, therefore, generally considered to be pro-Israeli, no particular rancour appears to have been directed against us. Apart from this factor, Canada is considered by the Egyptians to be a country with no special axe to grind in the Near East and with a past free of colonial stains.

The only other form in which the Egyptians might believe Canada was following a policy inimitable to them is in North Africa. You will recall that Canada, with all the other NATO countries, was informed by the Egyptians that NATO was supporting the repression of the Arabs in French North Africa. This was not, however, followed up, and is hardly likely to be raised during your visit.

Commercial Relations

Trade between Canada and Egypt is regulated by an Exchange of Notes of December 3, 1952, constituting an Agreement for the exchange of most-favoured-nation treatment.²⁷

Canada enjoys a substantial balance of trade with Egypt. Major exports to Egypt have included wheat and wheat flour, automobiles and accessories (including tires), asbestos, newsprint, pharmaceutical products, and aluminum in primary form. Main imports have been raw cotton, paddy rice, and onions and other vegetables. Figures for the years 1950-54, inclusive, and for the first six months of 1954 and 1955 are as follows:

<i>Year</i>	<i>Exports to Egypt</i>	<i>Imports from Egypt</i>
1950	\$ 3,716,105	\$ 659,029
1951	2,465,518	711,365
1952	19,362,991	461,581
1953	11,688,156	4,202,667
1954	1,200,751	440,290
First 6 months 1954	685,127	278,992
First 6 months 1955	721,577	239,208

It will be noted that in 1952 and 1953 Canada exported an abnormally large value of goods to Egypt. This was largely due to the sale of wheat. Egypt has been traditionally a purchaser of Australian type of wheat. However, in 1953 Canada sold 13 million bushels as the result of tenders. Egypt will be calling tenders for wheat in the near future, but Canada is not hopeful of selling in that market for the following reasons:

²⁶ Voir/See Volume 18, Document 946.

²⁷ Voir/See Volume 18, Document 958.

- (1) Iron Curtain countries have offered to exchange wheat for cotton and rice;
- (2) Egypt may obtain wheat from the United States through its disposal programme;
- (3) Australia and France are quoting extremely low prices.

The unusually large value of imports to Canada during 1953 was almost completely due to a large purchase of Egyptian cotton. The price of Egyptian cotton more recently has been out of line with other sources of supply. However, during September 1955 the Egyptian Government revamped its exchange control system and removed the seven percent export tax on cotton. This may stimulate additional imports into Canada.

Export of Arms

A limited supply of aircraft engines, spares and other parts have been exported from Canada to Egypt. We recently sold to Egypt a number of Harvard training aircraft. A month ago, however, we requested Canadair to refrain from responding to Egyptian requests for quotations on Sabre jet aircraft, partly because of the serious clashes at the Gaza Strip and partly because the supply of a considerable number of swept-wing jets might well have upset the balance of arms strength in the area. Even the RAF bases in the Middle East were not equipped with swept-wing aircraft. France, however, has undertaken to supply Israel with some Mystère jet aircraft.

Canadian policies respecting the sale of arms to Middle Eastern countries may have to be reviewed when more is known about the United States and United Kingdom reactions to the Egyptian deal with Czechoslovakia.²⁸ Attached is an appendix† listing the main items sold by Canada to Egypt and Israel during the past two years.

Immigration

As a rule, largely because of a lack of facilities for the security screening of persons wishing to immigrate into Canada from Egypt (a reason *not* disclosed to applicants nor presumably to the Egyptian authorities), no encouragement is given to such immigration. Exceptions to this general rule are made in the case of persons for whom security screening is not required (for example, British subjects) and those for whom security screening is usually waived (for example, wives of residents in Canada). These regulations greatly restrict the number of possible immigrants from among Egyptians proper, although they are not for immigration purposes classed as Asians. Applicants are usually told that no facilities exist for their immigration into Canada.

Recently the United Nations Relief and Works Agency for Palestine Refugees (UNRWA), which has its headquarters in Beirut, informally approached our Legation there with a view to ascertaining confidentially whether Canada would be prepared to accept a limited number (about 500) of selected Arab refugees as immigrants. Canada has already contributed about \$4 million for Palestine relief.²⁹ The refugees earmarked for Canada would be chosen on a highly selective basis. It is understood that the United States has decided to support the programme. UNRWA's proposal has been referred to the Department of Citizenship and Immigration for their consideration.

²⁸ Voir/See Document 552.

²⁹ Voir/See Document 99.

568.

DEA/50134-40

Note d'une conversation avec le premier ministre d'Égypte
Memorandum of conversation with Prime Minister of Egypt

SECRET

Cairo, November 11, 1955

CONVERSATION WITH COLONEL GAMAL ABDEL NASSER,
PRIME MINISTER OF EGYPT, CAIRO, NOVEMBER 10, 1955, 7.00 P.M.

I spent an hour with Colonel Nasser last night (7.00-8.00), having previously discussed international matters, especially North Africa and Israel, with the Foreign Minister for twenty minutes. Nothing very significant developed in the talk with Mahmoud Fawzi, who was as friendly and courteous as ever. He said how very glad he was that I was in Cairo, gave me a personality sketch of his Prime Minister (a plain, blunt, but very sincere and honest soldier-patriot), and underlined the seriousness of the deterioration of relations between Israel and the Arab States, in the face, as he put it, of the aggressive military attitude and strength of the former. He thought, however, that the very seriousness of the situation might assist in finding a solution, if the United States and the United Kingdom showed understanding and wisdom, and if Israel did not force all-out war.

I found Colonel Nasser quite as impressive and attractive a personality as I had been told he was. He is certainly plain and blunt in words, but friendly and modest in manner. He gives an impression of sincerity and strength, without any trace of arrogance or self-assertion. He said, of course, that he was a man of peace, "as every decent soldier is", and that his great ambition was to work for Egypt's social progress and economic development. But national security came first and, therefore, because of Israel's aggressive attitude, he had had to divert resources, meant for peaceful development, to defence. If he had not done so, public opinion would have forced him to. I merely said that it was a tragedy for Egypt, as it would have been for any country, that this was felt to be necessary.

The Prime Minister then went into the history, in detail, of the recent controversial arms transactions. He said that it was necessitated by the aggressive attitude and the boasted military superiority of Israel, with all the resources of Zionism, especially United States Zionism, behind it.

He had warned Washington and London that he could not remain passive in these circumstances, that he would prefer to get arms from them, but that if this were not possible, he would secure them from behind the "iron curtain". He claimed that the United Kingdom and, particularly, the United States (who always put the interests of Israel ahead of the Arab States, because of Jewish power and wealth and influence there), thought that he was "bluffing". Their surprise and violent reaction when the transaction was announced, therefore, was more because their "bluff" was called than because they had not had any knowledge of such a possibility.

I ventured to give Colonel Nasser my own view that the United States and United Kingdom were far less prejudiced in favour of Israel than he thought, and that I was sure that they tried to follow an impartial policy in these matters. We knew from our own experience in Canada that Israeli requests for arms which would add to their present level of offensive strength were turned down in the three capitals, in spite of great pressure exercised on their behalf. That pressure would now be much greater and more difficult to resist. But where would an arms race get us? Egypt felt herself threatened and weak — therefore she strengthened her armaments for security. No one could object to that in principle, but the result was that Israel would then feel insecure (especially because of the refusal of the

Arab States to recognize her existence) and in her turn would get more arms. Then Egypt had to catch up again. Where would it all end?

Colonel Nasser agreed that it was a very unfortunate and even dangerous development, but what could Egypt do?

This gave me an opportunity to ask whether the Arab States would recognize the existence of a State of Israel on any terms. He said that they would. I said that then it becomes a problem of political negotiation to agree on terms. Such agreement would give them far more security than communist arms. I then asked him what were their basic conditions for recognition.

He said the United Nations partition resolutions of 1947.³⁰ I reminded him that the Arab States had already gone to war against these and that, in any case, it was quite unrealistic to go back to them now. After a word or two with Fawzi, the Prime Minister said that the U.N. Resolutions of 1948 (the Bernadotte proposals?) were what he had in mind.³¹

I asked him about the Dulles proposals of August which, I said, my government thought wise and sensible and would support as the basis for a solution.³² He said that they were too general, but he agreed that the points mentioned by Dulles were the ones that had to be settled. First of all, boundaries, where there would have to be important changes, and secondly, refugees. Nasser insisted that the Arab refugees would not agree to be settled in any place except Palestine. They had tried unsuccessfully to persuade some to settle in Egypt. He also stated that Arabs were still fleeing from Israel because of the unjust and discriminatory treatment they received there. When I expressed some scepticism about this, he insisted that Arabs in Israel were "second-class" citizens only.

I asked the Prime Minister about the possibilities of practical co-operation between Israel and the Arab States, particularly in such a project as the Johnston Irrigation Scheme.³³ Colonel Nasser said that this was a good project and would benefit the Arab States, but that no Arab would believe, in the present circumstances of fear and hatred, that it was not designed to favour Israel. He felt that the Johnston proposals could not be implemented until the political situation was better.

Colonel Nasser more than once mentioned Israel's aggressive military actions, breaches of the truce, etc., and claimed that Egyptian forces had shown great patience and discipline. He said that he was having increased difficulty in holding back the army in the face of these provocations.

I told Colonel Nasser that while there were extremists in Israel, as in all countries, there were also moderate men there doing their best to avoid extreme courses and working for a

³⁰ Voir volume 13, les documents 548 et 549.

See Volume 13, Documents 548 and 549.

³¹ Voir volume 14, les documents 219-226.

See Volume 14, Documents 219-226.

³² Voir/See Document 564.

³³ Eric Johnston, président du Conseil consultatif du développement international et représentant personnel d'Eisenhower au Moyen-Orient, a fait en octobre 1953, une proposition concernant le développement conjoint du bassin du Jourdain par le Liban, la Syrie, la Jordanie et Israël. Voir *Foreign Relations of the United States (FRUS), 1952-1954*, Volume IX, Part 1, Washington: United States Government Printing Office, 1986, pp. 1345 ff.

Eric Johnston, Chairman of the International Development Advisory Board and Eisenhower's personal representative to the Middle East, advanced a proposal in October, 1953, for the joint development of the Jordan River basin by Lebanon, Syria, Jordan and Israel. See *Foreign Relations of the United States (FRUS), 1952-1954*, Volume IX, Part 1, Washington: United States Government Printing Office, 1986, pp. 1345 ff.

fair and agreed settlement. I thought that Mr. Sharett was one of these, and Colonel Nasser agreed. He blamed Mr. Ben Gurion, however, for much of Israel's new aggressiveness and for trying to force a solution on the basis of recognition of the present boundaries.

Colonel Nasser was interested in my trip to Russia and this gave me a chance not only to mention Russia's power and expansive strength, but the danger of encouraging her in the old Russian designs against the Mediterranean and the Middle East. These designs, which were historic, could mean no good for Egypt, especially when Russian imperialism could use international communism to stir up trouble and further its ends. I said that I thought that these designs were very much in Moscow's minds when they offered military and diplomatic assistance to Egypt and the other Arab States; that "he who supped with the devil", etc.

Colonel Nasser said that these considerations were very much in his mind, but he thought that they could avoid the dangers I had mentioned. In any event, what was the alternative? I repeated, "An agreed political solution", and I assured him that every nation which desired peace would be glad to assist in bringing it about.

I confess that my talk did not give me any reason for undue optimism as to the possibility of such a solution being found in the immediate future.

4^e PARTIE/PART 4

ISRAËL : VISITE DU MINISTRE DES AFFAIRES ÉTRANGÈRES À OTTAWA,
1-2 DÉCEMBRE 1955

ISRAEL: VISIT OF FOREIGN MINISTER TO OTTAWA, DECEMBER 1-2, 1955

569.

DEA/10963-40

*Note du secrétaire d'État aux Affaires extérieures
pour le premier ministre*

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

SECRET

[Ottawa], December 5, 1955

CONVERSATION WITH THE FOREIGN MINISTER OF ISRAEL

1. Mr. Sharett called today and I had a conversation lasting almost an hour and a half with him during which time we thoroughly reviewed the problems of the Middle East. He presented his case forcibly and clearly but with not even the slightest indication of a readiness to compromise on any of the major issues at dispute with the Arab States.

2. I started out by explaining the reasons why I was unable to go to Israel on my way back from the Far East which he seemed thoroughly to understand, and reiterated his invitation to visit Israel if another occasion should present itself. He said he was grateful for the invitation to come to Canada and particularly for our courtesy in making an aircraft available.

3. Mr. Sharett then asked me if there was anything I could tell him about the conversations I had had with the Egyptian Prime Minister in Cairo.³⁴ I gave him a fairly detailed account, telling him of the good and indeed charming impression which Nasser made on

³⁴ Voir le document précédent./See preceding document.

one. I said that Dr. Fawzi had spoken well of Mr. Sharett, with whom he is an old acquaintance. (Fawzi was before the war Egyptian Consul General in Jerusalem). But when it came to the political discussions Nasser advanced the usual intractable Egyptian case — that is, territorial concessions on the basis of the 1947 resolution and the repatriation of refugees. When I pointed out to him that this was clearly out of the domain of the possible, he said he meant the 1948 Bernadotte proposals. I then told him that unless they are prepared to recognize the existence of the State of Israel the only logical alternative seemed to be war, and Nasser answered that he would not launch an aggressive war. He had told me that one of the reasons why the refugees were hesitant about the repatriation to Israel was because of the bad treatment those Arabs who remained there received, to the extent that many of them were still escaping.

4. Mr. Sharett was obviously nettled by the reference to the situation of the Arabs in Israel and hastened to assure me that materially the position of the Arabs was better now than during the Mandate. He said that they had their own schools and mosques paid for by the government, that illiteracy had almost been stamped out and that there were 8 Arabs in the Knesset where the Arabic language was permitted and indeed simultaneous translations were arranged. He added that proportionately they paid lower taxes than the Jewish members of the Community but said that he realized that nevertheless their position psychologically was unhappy because they were a minority in a land to which they had no loyalty. From this he went on to point out how impossible it would be for Israel to take back a large number of refugees and, apart from the security problem, there was simply no place where they could be resettled. He said however that Israel was ready to pay compensation for their lands and to help in their resettlement in the Arab countries as part of a general settlement.

5. Mr. Sharett then turned to the question of Prime Minister Nasser and his attitude. He said that Nasser talked in a reasonable way to Western statesmen but that he and his government and the Arab press were constantly ranting against Israel and stirring up opinion for the obliteration of the new state. He said he thought that Nasser would like to see Israel cease to exist and I agreed that was probably his ultimate desideratum, but I thought this was simply the highest bargaining point, and that he would be prepared to negotiate. When Nasser talked of territorial concessions what he meant in fact was the Negev, and that also seemed to be what Sir Anthony Eden had in mind when he made his Mansion House speech.³⁵ Israel could not understand why we should entertain any consideration for the Arab desire to link up Egypt and Jordan through the Negev. The two countries were not joined geographically during the British Mandate and there was no particular reason why there should be geographical continuity. There were no lines of transportation through the Negev and even if there were they were hardly likely to be used. One could just as well claim that Israel interrupted the geographical contiguity between Egypt and the Lebanon. The Negev therefore is of no real use to Egypt.

6. It is however of desperate importance for Israel. In it there may well be important mineral deposits, oil and other resources badly needed by the small state. But most of all it contains the Red Sea port of Elath which the Israelis hope to develop in order to build up their commerce with Southeast Asia. It is not only a great deal quicker to ship from Israel via Elath but they also in this way hope to avoid paying tolls in the Suez Canal, not to mention the Egyptian blockade. In addition it seemed to the Israelis absurd that anyone should think of detaching the Negev from them when this was the only part of Israel which was firmly given to them in the 1947 resolution. Incidentally, he added, were we sure what

³⁵ Voir/See *Documents on International Affairs, 1955*, pp. 382-385.

the Jordanian reaction would be if Galilee were to be taken from Jordan and turned over to Israel as would be the case if the Bernadotte proposals were implemented.

7. Mr. Sharett then returned to Sir Anthony Eden's proposals and said that, as I knew, they had not been well received in Israel. The reason was, first, because it implied that big territorial concessions would have to be made by Israel, and because he put himself forward as a mediator, though this was a minor point. The Israelis knew that the Foreign Office was by tradition pro-Arab and they suspected that this proposal was made in order to retain some British prestige among the Arabs. The Americans, he said, were much more understanding of the position of Israel.

8. I then asked Mr. Sharett what would be the concessions which Israel would be prepared to make in order to get an overall settlement. He said they would be prepared to consider territorial adjustments — that is, the correction of injustices in the frontier —, the payment of compensation for refugees and an increase in the repatriation of divided families, and the grant of transit rights to the Arabs — to Jordan for free access to the port of Haifa, and to Egypt and Lebanon, the passage of trains and aircraft through Israeli territory, though they would want reciprocity.

9. I asked him if it was not possible for Israel to consider giving some satisfaction to the Egyptians about the Negev even if it only took the form of free transit rights, which might be maintained by an international force. He at once poured scorn on this proposal saying, what kind of a corridor? a tunnel? or a viaduct? This he added, might be put forward as a Canadian proposal! I argued a little bit with him on this point but found him so completely unbending that I decided there was no point in pursuing this, particularly as Mr. Dulles had already pushed him pretty hard when he was in Washington.³⁶

10. Mr. Sharett then turned to the question of the Czech-Egyptian arms deal.³⁷ He said that this had completely altered the situation, that Egypt, which already had had a clear superiority over Israel in arms, would now have an overwhelming superiority and in the most up to date equipment. It was imperative that Israel get the means to defend itself. He did not mean that they want to have an absolutely equal number of tanks and aeroplanes but that they must be able to match the Egyptians in the modernity of their weapons. He said that so long as the proclaimed Egyptian aim was to drive the Israelis into the sea, they could not possibly consider their country secure unless they received adequate arms, and this was a question he had raised with Mr. Dulles. He then went on to refer to the fact that Canada, though not a major supplier of arms for Israel, nevertheless had sold them an important quantity of matériel, and he hoped we would be able to approve the requests which had been outstanding with us for some little time. He referred particularly to the stepping-up in the delivery period of the Browning machine guns and the authorization for the purchase of anti-aircraft guns and anti-tank guns. I told him that we would look into this immediately and thought we should be able to give him some satisfaction.³⁸ He did not ask for any additional weapons but he has laid the arguments before us in the event that they do wish to ask us later for more modern matériel.

11. Mr. Sharett said he was sorry he had not been able to talk to me before I saw Nasser, because he would have asked me to tell the Egyptian Prime Minister that if he did not stop the infiltrations and raids into Israel, they would have to react strongly and there might be

³⁶ Voir/See United States, *Foreign Relations of the United States (FRUS), 1955-1957*, Volume XIV, Washington: United States Government Printing Office, 1989, pp. 793-796.

³⁷ Pour une évaluation canadienne de cette transaction, voir le document 552.

For a Canadian assessment of this transaction, see Document 552.

³⁸ Voir/See Document 560.

serious trouble. I said that, in fact, Nasser had told me almost exactly the same thing. He had said: "Tell your Israeli friends that if they don't stop making provocative raids on Egyptian territory, we will have to take strong measures." I asked him if a wider neutral zone would not help, and he answered in the negative. The real menace was the Egyptian "commando" who stuck deep into Israeli territory, operating often from Syrian or Lebanese bases. He also said that many of their new settlements were near the border and could not be sacrificed.

12. As regards his estimate of the relative position of the two countries in arms, I said Nasser had told me just the opposite — that his country was weak and felt itself menaced by Israel's superiority. Mr. Sharett's answer implied that the Egyptians were trying to mislead us.

13. We then got on to a discussion of Russian affairs and intentions during which I gave him some of my impressions from the trip to the U.S.S.R. Mr. Sharett said that he agreed entirely with my impression that the Soviet leaders did not wish to launch an aggressive war, but at least in part because of their psychological makeup and their isolation from the outside world, they might react in unforeseen ways to Western actions. He was skeptical of Nasser's assurance that he was able to handle the Russians if they attempted to infiltrate into Egypt and I told him that this intrusion of the U.S.S.R. into the Middle East was also one of the disturbing recent developments. It was clearly part of the traditional Russian drive to get into that part of the world, and was only partly Communist in origin.

14. We parted with his sincere thanks for all Canada had done for the State of Israel, with particularly warm remarks about your sympathetic attitude and the role of General Burns in attempting to maintain the Armistice.

L.B. P[EARSON]

5^e PARTIE/PART 5
PACTE DE BAGDAD
BAGHDAD PACT

570.

DEA/50131-A-40

*Le secrétaire d'État aux Affaires extérieures
au représentant permanent auprès du Conseil de l'Atlantique Nord*

*Secretary of State for External Affairs
to Permanent Representative to North Atlantic Council*

TELEGRAM 278

Ottawa, March 17, 1955

SECRET

Reference: Your despatch No. 774 of March 9, 1955.†

TURCO-IRAQI PACT³⁹

The arrival of your despatch under reference coincided with a request from the United States Embassy here that we express ourselves in the NATO Council in favour of the Turco-Iraqi Pact. The United States Government expects that the Pact will shortly be presented formally to the Council at which time the United States will welcome it warmly and express the hope that other Middle East states will either join the Pact or otherwise direct their policies toward its aims.

2. The United Kingdom representative on the Council should also welcome the Pact. The United Kingdom apparently participated in the drafting of the agreement and is expected to accede to it; at the same time the United Kingdom will conclude a supplementary agreement with Iraq concerning the air bases at Habbaniya and Shaiba.

3. Thus far little has been heard from France on the subject of the Pact. The French probably resent that their interests in Syria and Lebanon have not qualified them for a greater share in the informal consultations which have accompanied the negotiation of the Pact. It will be interesting to see how the French representative reacts when the Pact is presented to the NATO Council.

4. We believe that the Turco-Iraqi Pact is a modest beginning in what may be a tortuous development toward a system of collective security in the Middle East and that the Turks should be given credits for the initiative they have taken. Consistent with the attitude we adopted last July toward the Balkan Treaty, we regard the Turco-Iraqi Pact as advantageous to NATO but since the area concerned is even farther removed from our main defence interests than the Balkans we would wish our words of welcome to be reserved in tone and to leave no doubt about our continuing understanding that none of these treaties or pacts in any way involves an automatic extension of our obligations under the North Atlantic Treaty.

5. At the same time it would be a mistake to read too much into the Pact as it stands or to ignore its potentially disruptive effects. Until the defence organization begins to take shape, by the accession of further states to the Pact and the conclusion of specific military agreements, it is hardly likely to produce stability in the area. The signing of the Pact has already driven Egypt and some of its followers further away from the path of cooperation with the West, to some extent reversing the trend which the conclusion of the Anglo-Egyptian Agreement on the Suez Canal Base began.⁴⁰ In time, however, the breach between Iraq and Egypt may be bridged and the latter be better disposed to work for the aims of the Pact.

6. Perhaps even more important has been the increased sense of isolation which the Pact and particularly the annexed exchange of letters have produced in Israel. The Israelis have stressed their belief that the Pact will serve to harden Arab resistance to negotiating a peace in Palestine, because psychologically the Arabs will now be encouraged to believe that the West will support them against Israel. The Israelis also have expressed fear that Turkey will support the Arabs in their attempt to secure the implementation of United Nations resolutions which Israel regards as obsolete and impracticable. The resulting anxiety and

³⁹ Le traité de coopération et de défense mutuelle signé à Bagdad par la Turquie et l'Iraq le 24 février 1955, et auquel ont plus tard adhéré le Royaume-Uni, le Pakistan et l'Iran. Pour le texte, voir *Documents on International Affairs, 1955*, pp. 287-289.

The mutual co-operation and defence treaty signed in Baghdad between Turkey and Iraq on February 24, 1955 which was later joined by the United Kingdom, Pakistan and Iran. For the text, see *Documents on International Affairs, 1955*, pp. 287-289.

⁴⁰ Voir/See *Documents on International Affairs, 1954*, pp. 248-254.

frustration in Israel are likely to produce pressures upon the Government to take independent action to solve its difficulties. The Gaza incident is perhaps a sample of that kind of action.⁴¹

7. We are not sure that Turkey can provide the kind of leadership which the situation in the Arab world demands, even if she can rely on the support of Iraq and Pakistan. The likelihood of further Arab accessions to the Pact appears remote at the moment. On the other hand, Iran will probably join either the Turco-Iraqi Pact or the Turco-Pakistan Pact,⁴² once its Government succeeds in stabilizing the domestic situation.

8. Perhaps most important for Canada is the fact that the Middle East lies outside our real defence interests and the commitments we would be willing to accept. However much we might welcome on general security grounds a widening of the defence associations of the free world, we should not like to encourage others to believe that our attitude toward these developments implied a willingness to extend Canada's own commitments. The opposite is true and our statements on the subject should leave no doubt about it.

9. In the circumstances which this telegram summarizes we should be prepared to offer words of welcome to the Turco-Iraqi Pact when it is formally submitted to the Council. We propose to tell the United States authorities that we shall do so. You may associate yourself with the remarks of other representatives who see the Pact as adding strength to the defences of the free world and who wish to acknowledge Turkey's contribution to this aim. If you think it appropriate you might accord some recognition to the difficulties which still have to be overcome before collective security can be effectively organized in the area, particularly in view of Arab-Israeli relations. You should include a tactful reference to our understanding that the Pact does not involve automatic extensions of our obligations under the North Atlantic Treaty.

10. We hope that this telegram will provide you with sufficient material to deal with this matter when it is raised in Council or during informal conversations among the NATO delegations. If further information is required please let us know.⁴³

⁴¹ Pour une évaluation canadienne de l'incident de Gaza, voir le document 563.

For a Canadian assessment of the Gaza incident, see Document 563.

⁴² Pour le texte de l'Accord turco-pakistanaï de coopération amicale, conclu à Karachi le 2 avril 1954, voir *Documents on International Affairs 1954*, pp. 185-186.

For the text of the Turco-Pakistani Agreement for Friendly Co-operation, concluded at Karachi, April 2, 1954, see *Documents on International Affairs 1954*, pp. 185-186.

⁴³ Le 22 mars 1955, Wilgress a fait devant le Conseil de l'Atlantique Nord une déclaration reprenant les éléments énoncés au paragraphe 9. Pour les commentaires de Pearson sur le pacte faits lors de la réunion des ministres des Affaires étrangères de l'OTAN en mai, voir le document 187.

Wilgress made a statement along the lines outlined in paragraph 9 to the North Atlantic Council on March 22, 1955. For Pearson's remarks on the Pact at the May meeting of NATO Foreign Ministers, see Document 187.

CHAPITRE VII/CHAPTER VII
EXTRÊME-ORIENT
FAR EAST

PREMIÈRE PARTIE/PART I

INDOCHINE : COMMISSIONS INTERNATIONALES DE SURVEILLANCE
ET DE CONTRÔLE
INDOCHINA: INTERNATIONAL COMMISSIONS FOR SUPERVISION AND
CONTROL

SECTION A

VIETNAM

571.

DEA/50052-A-40

*Le commissaire de la Commission internationale de surveillance
pour le Vietnam
au secrétaire d'État aux Affaires extérieures*

*Commissioner, International Supervisory Commission for Vietnam,
to Secretary of State for External Affairs*

TELEGRAM 9

Hanoi, January 6, 1955

SECRET. IMMEDIATE.

Reference: Our despatch No. 289 of December 27[†] and para 7 of our telegram No. 220 of December 2, 1954.†

FREEDOM OF MOVEMENT¹

The purpose of this message is to give you our preliminary thoughts on this question and to suggest a plan of action for solving what is a most unsatisfactory situation. I should like to receive from you as soon as possible your views on the action which we might take here.

A. Review of Evidence

2. Examination of the reports of the mobile teams which conducted investigations with respect to freedom of movement in several provinces indicates that the Commission would be on firm ground in recommending to the Democratic Republic authorities that the whole permit procedure be made more effective. The general picture to be obtained from the

¹ Pour le texte intégral de l'accord de cessez-le-feu au Vietnam que devait surveiller la CISC, voir France, Ministère des Affaires étrangères, *Conférence de Genève sur l'Indochine (8 mai-21 juillet 1954)*, Paris: Imprimerie nationale, 1955, pp. 453-460.

For the complete text of the ceasefire agreement for Vietnam that the ICSC was to supervise, see United Kingdom, Parliamentary Papers, Cmd. 9239, *Further Documents relating to the discussion of Indo-China at the Geneva Conference June 16-July 21, 1954*, London: Her Majesty's Stationery Office, 1954, pp. 27-40.

conclusions of the various teams is that the procedure is cumbersome and ineffective insofar as it should facilitate the movement of people wishing to go south, that more permit offices are required, and that would-be evacuees, due to fear of reprisals, are reluctant to approach their communal authorities from whom they must obtain the initial letter of recommendation. Moreover, a letter from the Democratic Republic about the permit procedure suggests that there are some political texts in the granting of a permit. The reports from the teams also indicate that some permit offices at least may not be properly equipped to issue any large number of permits, that the administrative procedures are in some respects incomplete, and that there has been some apparent obstruction in their enquiries and some evidence that people wishing to see teams about going to the south are hindered from doing so. However, on the basis of our first examination of these reports I fear there might not be sufficient grounds for establishing conclusively at least in the Commission, that there has been a definite violation of the agreement by the Democratic Republic of Viet Nam on the permit procedure itself. This, however, is only part of the problem. There is practically no evidence that aid of any kind has been provided as the Democratic Republic authorities are required to do under the agreement and this, coupled with a procedure which implies a practical refusal to allow freedom of movement, creates a very strong presumption of non-compliance on their part. While the proof may not be fully convincing to the Poles and perhaps to the Indians in the Commission, before Western opinion and possibly the rest of South East Asia, the evidence which could be adduced would, in my opinion, probably carry general conviction. As it is possible that we may later have to refer the matter to the Geneva powers this, I think, is a significant point to bear in mind when examining the evidence available.

3. As you know, the Commission has also received through petitions a fund of detailed allegations against the Democratic Republic of Viet Nam about police and military obstruction to freedom of movement and to freedom of access to fixed and mobile teams. To some extent these petitions are offset by the larger volume of petitions which complain about the spreading false rumours and other forms of intimidation to force people to go to the south. These latter petitions are, of course, of great importance to the Polish Delegation, and they appear to have had some influence on the Indian Delegation. It is clear, however, that these latter petitions are in the nature of counter-claims and should not be allowed to confuse the main issue which must be dealt with first, e.g. whether or not people have been allowed to move. Why they wish to move, is another problem which we will have to insist, must be dealt with separately. I believe it might be possible for us to get Indian support on this point.

B. *Recommendation*

4. The reports from the teams, together with certain other relevant material, have been referred to the Freedoms Committee for a study of the general question of freedom of movement in North Viet Nam. It is expected that the committee may report soon after the middle of the month, when the Chairman and the Polish Ambassador will return to Hanoi. It seems likely, therefore, that a most important debate will arise in the Commission later this month. We have been giving some thought to the possible outcome of this debate and to the difficulties that may arise in endeavouring to obtain a sufficiently strong recommendation to both sides that, within a specified time limit — in view of the short time remain-

ing before the expiration of the 300 days² — a fair, reasonable and effective exit permit procedure in both north and south should be established and that its application should be supervised by the Commission so that it can satisfy itself that the recommendation is in fact carried out.

5. My own view is that if the Commission addressed the recommendation also to the south at the same time, such complementary action might be conducive to obtaining more cooperation from both sides and we would be on sound ground in recommending to both sides steps which can be considered to be necessary for the effective implementation of Article 14(d) at this stage. Such an approach would involve the additional advantage that it might be easier for us to carry the Chairman with us. The Commission, in making its recommendation to the parties should indicate that it is seriously disturbed by current procedures, that reforms are urgently required and that no pressure to induce people to move or to stay in either zone should be exercised. Although the letter could not say that the Commission will check whether the recommendation is implemented, I feel that if a reasonable recommendation is put forward in a sufficiently strong manner, it will be quite clear that if compliance with it is not prompt and whole-hearted there will be further action by the Commission. The implication would be that the question might have to be referred to the Geneva powers. While at this stage no reference should be made in the letter to a report to the Geneva powers, I feel that we might attempt to secure agreement within the Commission that if the recommendation is not implemented within the time specified and if there was to be found reasonable evidence of non-compliance by either party, in view of the short time which would then be left before the end of the 300 day period, a report would have to be submitted forthwith to the Geneva powers without granting either party further delays for taking more effective or corrective steps. Such action would of course depend on the prospect of Indian support. Furthermore when the recommendation is made, I think we might suggest that the Commission call formally as a body on the Foreign Minister or Giap in the north and on the French High Command in the south to emphasize its importance and to stress the urgency of quick and adequate action being taken if the provisions of the agreement concerning freedom of movement are to be carried out within the time specified.

6. In view of the above, it seems to me that, in the first instance, the recommendation we should seek in the Commission about freedom of movement should recognize that the implementation must be left to the parties but that arrangements must be such that the Commission can effectively exercise control and supervision. The recommendation should cover the following points:

(a) permit offices empowered to issue permits to go and live in the other zone should be established in each district,

(b) all that an applicant would need to prove in order to obtain a permit would be that he had paid his normal taxes and no judicial proceedings were pending against him. No politi-

² La période débutant le 22 juillet 1954 pendant laquelle les forces militaires opposées devaient terminer le processus de désengagement et de regroupement aux termes des articles 2, 15 (a) et 15 (f) de l'accord de cessez-le-feu. Au cours de cette période, les civils devaient être autorisés à passer librement d'une partie du Vietnam à l'autre, aux termes de l'article 14 (d).

The period, beginning July 22, 1954, during which opposing military forces were to complete the process of disengagement and regroupment under articles 2, 15(a) and 15(f) of the ceasefire agreement. During this period, civilians were to be allowed free passage from one part of Vietnam to the other under article 14(d).

cal or security tests whatever should be applied. On the other hand, there should be no intimidation, threats or coercion to induce people to move to the other zone,

(c) the permit should be valid until the end of the 300 day period. In the north, to go to Haiphong perimeter or to any point of embarkation, in the south, to go to Saigon or any point of embarkation,

(d) the permit should be made valid for whole families including unmarried children and relatives,

(e) heads of districts, villages or communes should be instructed to authorize meetings so that heads of families can discuss their plans freely,

(f) there should be no undue currency restrictions and no confiscation of property,

(g) aid should be provided in the form of food, transportation and medicaments when necessary, temporary shelters should also be arranged,

(h) these arrangements should be worked out within two to the three weeks at most.

(i) The recommended procedure should be given the widest possible publicity.

7. In order to enable the International Commission to exercise effective control, the following two points should be covered:

(a) each party should be required to provide bi-monthly returns of the people they have authorized and assisted to go to the other zone,

(b) mobile teams of the International Commission should visit some of the districts in which exit permit offices have been established, these teams should actively supervise the issuing of permits and the provision of assistance to those people who request help from the local authorities in order to go to another zone.

8. It is probable that some of the suggestions made in paragraphs 6 and 7 above may turn out to be impractical or unacceptable to the Commission or to the parties. These are matters for negotiation, but the essential point is that the procedure should be the same in both zones, simple and effective, there should be no pressure and the Commission should have an opportunity to control effectively its implementation.

9. Two main difficulties will arise in obtaining a recommendation suitable to all three delegations. Although the Chairman has given indications that he might on this issue take a strong stand, it is not unlikely that in accordance with his usual policy, he will wish the recommendation to be, from our point of view, unduly moderate so that it will not seriously embarrass the Democratic Republic of Viet Nam. In the light of the Commission's difficulties in getting full cooperation in the south it is clear that the Commission cannot only take the Democratic Republic of Viet Nam to task. Secondly the Polish Delegation although they may well agree to the principle of issuing a recommendation, will wish to make it excessively innocuous and to relate it to Article 14(c). Depending on the evidence submitted by the mobile teams which are investigating incidents in the south consideration might be given to a broader recommendation covering the whole of Article 14.

10. If the Indians refuse to endorse an adequate recommendation, we will find ourselves in a delicate position. The issue being a very important one, I should appreciate receiving your further guidance as to how far we should go in pressing for what we will consider a satisfactory solution and whether, failing to receive Indian support for this, we should press for a vote even if we are likely to find ourselves in a minority.

C. Control of Implementation

11. A recommendation from the Commission is, of course, only a first step. While the Geneva Agreement does not specifically require the Commission to follow up its recom-

mendations, I think it is obviously necessary for the Commission to treat these recommendations in the same way as it treats the articles of the Geneva Agreement. Through its supervision and control the Commission must ensure that these recommendations are implemented. Assuming that the Democratic Republic of Viet Nam accepts the recommendation we will have to ensure, therefore, that appropriate follow-up action is taken.

12. If the Democratic Republic refuse to accept the recommendation this would, of course, be a very serious matter and would require a report to the Geneva Conference. The Democratic Republic of Viet Nam of course might accept the recommendation and express determination to carry it out, although in fact doing virtually nothing about it. Judging the performance of the Democratic Republic of Viet Nam would probably involve much the same problems of investigation and assessment as has already taken place with respect to freedom of movement. It would be as difficult to prove a violation of the agreement as it is on the basis of current evidence. If there were suddenly a rapid and significant increase in the number of permits issued and in the number of evacuees reaching the Haiphong perimeter, there would seem to be no doubt that the Democratic Republic had implemented the recommendation. However, if there were no increase in the flow of evacuees that in itself I do not think would be sufficient evidence on which to charge the Democratic Republic of Viet Nam that it had not implemented the recommendation. The Commission would have to find further evidence that the permit procedure was not working and that would-be evacuees were being denied freedom of movement. By the time a violation might be proved, the 300 day period would probably have expired (May 18).

13. If it became apparent that the Democratic Republic of Viet Nam were not implementing the recommendation after they had accepted it, the logical step, it seems to us at this stage, would appear to be a reference to the Geneva Conference. Should the Indians and Poles resist this action, the question of a split vote might again arise. In such circumstances, we would be faced also with a very difficult position. However, owing to the difficulties of proving a violation, it seems to me to be much more likely that the Commission could more easily agree to publicly explain its problem. This might be accomplished by inducing the Commission to make a further interim report of the Commission's activities to the co-chairmen. Such a procedure would have the advantage of disclosing to the co-chairmen and exposing to the world at large the efforts of the Commission to assist both sides in implementing the Geneva Agreement. The Commission might consider the issuance of this report within a fairly short period of time, perhaps immediately after its recommendation concerning freedom of movement is submitted to both parties. This would also provide an opportunity to acquaint the co-chairmen with the arrangements made since the first interim report to exercise closer supervision of the implementation of the military articles 15, 16, 17 and 18. From our particular point of view such an early report would make it easier for us, should there be indications that either party was not carrying out the recommendation

(a) to insist on the issue being brought to a vote if the Indians support us

(b) should the Indians hesitate to support us, then on the preparation of a further report to the co-chairmen.

14. I have already explained that if we try to obtain the type of recommendation which I consider necessary, there may well be a rather difficult debate. I have also indicated that it will likely be very difficult to obtain sufficient evidence to say that the Democratic Republic have not implemented a new recommendation. In both cases the outcome of the discussion will largely depend on the attitude of the Indian Delegation. While the ground might be prepared to some extent by a preliminary and informal approach here to the chairman it

occurs to me that when the Commission reaches the stage of considering its recommendation the Canadian Government might see fit to approach the Indian authorities to impress upon them the importance we attach to the issuance of a strong recommendation and more particularly with the point that action should be taken quickly either to report a violation to the Geneva powers or at least to inform the co-chairmen of reluctance on the part of either party to carry it out in an effective and determined manner.

15. The whole issue is going to be one of timing and one of determining reluctance on the part of either side to carry out quickly the recommendation. It will not be easy to decide at what exact stage evidence will be adequate or to get our colleagues, and particularly the Indians, to agree on the nature of the evidence. If the Indians as hitherto intend to proceed step by step awaiting additional evidence before agreeing to another move, avoiding any suggestion which might involve embarrassment to the Democratic Republic authorities I fear that it will not be possible to compel the parties to take effective action before the end of the 300 day period. The Indians must, therefore, somehow, be persuaded to support a strong line or we must face the unpleasant choice of either joining them and the Poles in condoning what will amount to a violation of the agreement or of taking the risk of having to submit minority reports based on such evidence as is available either on this recommendation or on its implementation.

16. Your instructions are urgently required.

572.

DEA/50052-A-40

*Le commissaire de la Commission internationale de surveillance
pour le Vietnam
au secrétaire d'État aux Affaires extérieures
Commissioner, International Supervisory Commission for Vietnam,
to Secretary of State for External Affairs*

TELEGRAM 16

Hanoi, January 7, 1955

SECRET. IMPORTANT.

Reference: Our telegram No. 9 of January 6, paragraphs 14 and 15.

FREEDOM OF MOVEMENT — ATTITUDE OF THE INDIAN DELEGATION

1. There are 3 points to bear in mind concerning the attitude of the chairman here:

(a) he holds a rather aloof position and is reluctant to allow normal informal and private discussions between us. This may be due to his position as chairman and a desire to maintain an attitude of strict impartiality between the Pole and myself.

(b) on basic issues, his position, I think, is sometimes firm but on timing procedure and implementation he appears to consider himself very often simply as the arbiter between the Canadian and the Pole. He maintains a neutral position not always endeavouring initially to determine what might be a sensible practical solution to a given problem but looking often for a compromise position between Polish and Canadian views;

(c) he is inclined to make progress very slowly, to go very far in making compromises in the hope of obtaining Democratic Republic cooperation, to underestimate importance of freedom of movement issue for public opinion in the west, and of exerting pressure soon on the parties if 14(d) is to be implemented within 300 day period.

2. We can make informal approach here and overcome difficulties outlined in (a) above but it might be helpful if it were possible at the time suggested in our telegram under reference to impress Indian Government and, through them, chairman with desirability, as critical stage is approaching, of taking a more positive line and of pressing for an early and determined effort by the parties to implement 14(d). It would be important, however, if any representations are made in New Delhi that New Delhi and the chairman should not be advised that the move was made at my suggestion.

3. It occurs to me that difficulties might be avoided if United Kingdom and possibly other governments having close relations with India, without referring to any detailed plans, were at the appropriate time to express in New Delhi, (a) concern over the lack of progress in implementing 14(d), (b) a desire to have commission exert more pressure on the parties and more effective control over the implementation of this as well as other articles, (c) wish for an assurance that 300 day period will not be allowed to elapse without the Geneva powers being advised in timely fashion if there are grounds for considering that the provisions of 14(d) may not be carried out.

4. You might then take the initiative of raising the matter in New Delhi suggesting that, in the light of representations received, instructions to your commissioner were under consideration and that some consultation between 2 governments might be desirable. It might even be possible to add, bearing in mind the Chairman's characteristics mentioned in paragraph 1(b) above, that as commissioners have to be given some discretion and must maintain vis-à-vis each other quasi independence, instructions could be issued without reference to consultation between the two governments.

5. I would be glad to learn whether you would agree this approach (2 groups corrupt) and whether you agree that any such moves should be made simultaneously here and in New Delhi.

573.

DEA/50052-A-40

*Le commissaire de la Commission internationale de surveillance
pour le Vietnam
au secrétaire d'État aux Affaires extérieures*

*Commissioner, International Supervisory Commission for Vietnam,
to Secretary of State for External Affairs*

TELEGRAM 17

Hanoi, January 9, 1955

SECRET. IMMEDIATE.

Reference: Our telegram No. 15 of January 7, 1955, paragraphs 9 and 10.

FREEDOM OF MOVEMENT — INVESTIGATION AT BA-LANG

Mobile team reached Ba-Lang 12.30 on January 8, 5 days after departure from Hanoi, 9 days after Commission's decision to send a team.

2. Team was surrounded on arrival by about 500 individuals shouting and impossible to control. Team took refuge in Catholic mission compound and interviewed local priest who claims that clash took place on January 2 between refugees and soldiers. After this incident civilians involved took refuge in cathedral which was later surrounded and guarded for 6 days. These civilians were dispersed on morning of January 8. Priest further alleges that

there are approximately 4,000 to 5,000 Catholics in parish and 90 percent wish to go south. Priest is under house arrest for having incited refugees to concentrate.

3. Team visited cathedral and 2 churches and found no concentration. It reports that refugees who clashed with the authorities were partially armed.

4. I take a very serious view of this incident. Team movements appear to have been delayed while local situation was being altered by force. It would also appear that in spite of concentration reported by team which carried out earlier investigation in the area no exit permits have been granted.

5. At meeting on January 10, I propose to press for investigation whether there was a concentration at Ba-Lang and under what circumstances it was dispersed.

6. If investigation should indicate that there was a concentration and that it was dispersed by force while departure and progress of team were being delayed, I consider that a clear defiance of the Commission is involved and that this represents a brazen attempt to defeat the purposes of the Commission. Under the circumstances, I would propose to recommend that a very strong protest be sent to the Democratic Republic authorities and that the matter should be reported to the co-chairmen. I would hope that it might be possible to get the Indians to agree with this proposed course of action but, should they hesitate, I feel that at this time and given the issue and its implications, we should consider forcing a vote and sending ourselves a special report to the co-chairmen.

7. I will naturally keep you informed of outcome of preliminary discussions in the Commission on this subject and, in particular, whether it will be possible to reach agreement on further investigation to be undertaken. In the meantime, I should appreciate receiving your views on the above course of action.

574.

DEA/50052-A-40

*Le secrétaire d'État aux Affaires extérieures
au commissaire de la Commission internationale de surveillance
pour le Vietnam*

*Secretary of State for External Affairs
to Commissioner, International Supervisory Commission for Vietnam*

TELEGRAM 16

Ottawa, January 13, 1955

SECRET. IMMEDIATE.

Reference: Your telegrams No. 9 of January 6, No. 16 of January 7 and No. 17 of January 9.

Repeat New Delhi No. 19.

FREEDOM OF MOVEMENT

I agree entirely with the general proposals you have put forward for seeking further action by the Commission on this important subject. The outline of a recommendation for the Commission to make to the parties appears to be the best possible in the circumstances, and while there will still be plenty of opportunities for the Viet Minh to obstruct movement to the south and to evade their responsibilities under the agreement even if the recommendation is approved by the Commission, I think it is important that you should go forward with it as soon as the report from the Committee on Freedoms makes this possible.

2. With respect to future tactics on this matter, there are some general considerations which will have to be borne in mind in determining how far to go in pressing for acceptance of your recommendation. The freedom of movement question and the plight of the Christian in North Vietnam have a special appeal for the whole free world, and we naturally feel charged with a special responsibility on this issue. I anticipate some searching questions on the matter in Parliament. Nevertheless, important as the freedom of movement question is, your action on it may have to be considered in the context of the Commission's work in supervising the agreement as a whole. We must accept the fact that the Vietnam agreement is primarily a military armistice in which the political provisions were given a secondary position, and that the main purpose of the agreement is to maintain the cease fire and the military status quo; to keep the war from breaking out again. For this reason, therefore, in deciding what action you should take on the freedom of movement question, you have to estimate what effect a strong position taken by the Commission (if the Indians should agree to it) may have on the implementation by the DR of those military clauses of the agreement which have not yet been fully carried out (e.g. the evacuation of the Central Vietnam provisional assembly area by the Viet Minh). Furthermore an upset in the implementation of the main provisions of the Vietnam agreement might prejudice the proper implementation of the Laos agreement, where the Royal Government has yet to gain control of the two northern provinces. For the maintenance of the peace in Indochina it is of primary importance that the withdrawal and transfer of military formations should be carried out in full. This has a bearing on whether the Commission should go on record with a recommendation which we know in advance will not be carried out in good faith by the Viet Minh, and which we cannot in effect force them to carry out.

3. A more immediate consideration is the effect which driving this matter through to a recorded vote may have on your future chances of influencing the Indian chairman in our favour in relation to matters more directly affecting the maintenance of the cease fire. On the other hand, submitting to Communist pressure to refrain from any effective recommendation in a good case may throw the Indian Chairman more completely under Communist influence.

4. You are in the best position to determine how much weight should be given to these factors. In so far as purely Canadian considerations are involved, I would like to see the matter brought to a vote even at the risk of finding ourselves in a minority and I do not think we should permit the teeth to be drawn from your recommendation merely to achieve a compromise of words; but I hesitate to make this a categorical instruction until the initial reaction of the Indian chairman is known. It is unfortunate, perhaps, that there has not been any voting in the past, and that the Indians attach so much importance to what is now really a fictitious and might become a dangerous and damaging unanimity. You will be in a better position to judge whether this unanimity has benefited us in securing wider facilities for our inspection teams in overseeing the military provisions of the Agreement. I am instructing Reid in New Delhi to mention our concern to the Indians over this issue if an early opportunity presents itself; I shall await the initial reports from you on reactions to the draft recommendation before asking him to make firmer representations.

5. From your analysis of the chairman's attitude I would think his most likely tactic will be to try to get you to temper your draft recommendation to meet Polish objections half way and to put off a firm decision in the hope that a compromise formula may be worked out. The drawback in this approach which we must impress upon the Indians is that delay by the Commission will encourage further evasion of their responsibilities by the Viet Minh, particularly as the cut-off date approaches. You might emphasize this point in your informal and private approach to the Indian chairman.

6. As to the course of action to pursue after the Commission makes its recommendation, I think it would be wise to defer a decision on this until the recommendation is approved. Meanwhile it would be a good idea to document carefully all evidence of instances of Viet Minh reluctance to comply with the political provisions of the cease fire agreement. This material may prove useful after the military phase of the settlement is completed and when discussions concerning a political settlement begin.

7. The Ba-Lang incident may help to jar the Indians into taking a more positive attitude on the freedom of movement issue, as they did in a previous instance. I agree with the course of action you have proposed in this case, although it might be worthwhile to make of it two separate (but related) issues: (a) the obstruction to the mobile team, on which there is uncontrovertible evidence and which strikes at a principle basic to all the Commission's operations and not just in the freedom of movement context; and (b) non-compliance with Article 14(d), which is, of course, aggravated in the extreme by obstruction to the team. The investigation which you are demanding may not be able to turn up enough evidence to make a first class case of (b) but it certainly should help to convince the Indians of the necessity for a strong recommendation to the parties.

8. I think it would be desirable for both issues to be covered in a strong protest to the DR and that a report to the co-chairmen of the Geneva Conference should be made. As a price for the latter it may be necessary to accept some reference in the report to the obstruction of the teams in central Vietnam by South Vietnamese officials — or perhaps a separate report would be preferable; in any case, however, the previous instance of obstruction by the Viet Minh at Tra Ly should also be mentioned.

[L.B.] PEARSON

575.

DEA/50052-F-40

*Note du sous-secrétaire d'État aux Affaires extérieures
pour le secrétaire d'État aux Affaires extérieures*

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

SECRET

[Ottawa], January 21, 1955

ELECTIONS IN VIETNAM

In telegram No. 28 of January 18† from New Delhi (copy attached) Mr. Reid has reported that the Indian Government favours the establishment before July 20, 1955 of the electoral commission envisaged in the Final Declaration of the Geneva Conference so that it could act as an arbitrator between the two parties in their consultations in preparation for the holding of elections in July 1956.

In our preliminary examination of the elections question last September we did mention the fact that the establishment of the electoral commission before July 1955 might have the advantage of preventing the reference of election problems to the present Supervisory Commission.

It is clear now, however, that early and active intervention by the Commission powers in the negotiations between the two zones of Vietnam on election matters without a clear mandate from the Geneva Conference powers might get the Commission powers — and Canada in particular — into a very difficult position.

Accordingly the attached telegram to Mr. Reid has been drafted for your approval if you agree, setting forth our reasons for being opposed to an active role for the Commission powers in the preparatory negotiations for the elections, and asking his advice as to how our views might best be put across to the Indians.

J.W. H[OLMES]
for Under-Secretary of State
for External Affairs

[PIÈCE JOINTE/ENCLOSURE]

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

*Secretary of State for External Affairs
to High Commissioner in India*

TELEGRAM 37

Ottawa, January 24, 1955

SECRET

Reference: Your telegram No. 28 of January 18.
Repeat London No. 123; Hanoi No. 33.

ELECTIONS IN VIETNAM

I am much obliged for the useful information on Indian thinking on this important subject.

2. I have serious doubts about the propriety of the Commission powers taking the initiative at this time in drafting proposed terms of reference for the electoral commission with a view to establishing it before July 20, 1955 because:

(a) paragraph 7(a) of the Final Declaration does not give this responsibility to the Commission powers, and

(b) paragraph 7(a) also clearly envisages a delay in approaching the settlement of political problems until sufficient progress in the restoration of peace has been made.

3. My present view is that a prerequisite for the drafting of satisfactory terms of reference for the electoral commission will be the reaching of an agreement on electoral procedures and constitutional forms by the representatives of the two zones of Vietnam — an agreement which should be acceptable to the Geneva Conference powers. On the basis of such an agreement — if and when reached — terms of reference for the electoral commission might be drawn up. At this point the Commission powers might have a useful and active contribution to make. I believe, however, that we must insist on the conclusion of an agreement on electoral procedures acceptable to the Geneva Conference powers before the Commission powers are specifically charged with the task of supervising the elections.

4. Such an agreement appears the more necessary since the plan to hold general elections in 1956 is laid down only in the Final Declaration and is only mentioned incidentally in the Vietnam agreement in Article 14. It is the opinion of our Legal Division that the Final Declaration constitutes a formal statement of policy rather than an instrument, such as a treaty, intended to create binding legal obligations. The relationship of the State of Vietnam to the policies laid down in the Final Declaration is a matter which needs some further enquiry.

5. So far as the Commission powers are concerned, while it is clear that they are morally (if not legally) bound to undertake the supervision of elections in 1956, it is equally clear that they have no executive responsibilities for the carrying out of the policies laid down in the Final Declaration, to which they were not party. Moreover there is nothing in the Final Declaration to suggest that either the present International Supervisory Commission or the proposed electoral commission should be involved in the preparations for the elections or the consultations on this subject between representatives of the two zones. In the light of all these considerations I think that the Commission powers should pause and think very carefully about offering their services to the parties directly concerned before being requested by both of them and by the Geneva Conference powers to do so. The Commission powers should be prepared to provide assistance if requested to do so, either by the parties themselves or the Geneva Conference powers, and I think we should make up our minds in advance as to how much assistance we should provide. My present view is that the Commission powers should not do more than provide technical advice and good offices. Since the object of the discussions is that the representatives of the two zones reach agreement on electoral procedures it would, in my view, be quite improper for the Commission powers to seek to arbitrate differences between the two parties.

6. There are two possible ways by which the Commission powers might be able to comply with a request to assist in the consultations between the two parties on preparations for the elections: (a) by agreement with the Geneva Conference powers, the terms of reference of the present Commission might be extended to include technical advice and good offices to the two sides in their consultations; (b) the electoral commission might be set up with preliminary terms of reference, covering only the responsibilities of the Commission during the preparations stage, and with the clear understanding that further terms of reference would be provided to cover the supervision stage, after an agreement on electoral procedures between the two Vietnamese governments had been reached and approved by the Geneva Conference powers. The question will have to be studied further to determine which of these two alternatives is the better.

7. I would not suggest at this stage that you inform the Indian authorities of our views on this subject, although if they raise the matter again with you I think you might appropriately indicate the general direction of our thinking as outlined above.

8. For your own strictly confidential information I believe that it is not desirable that we become too deeply involved too soon in what promises to be the key problem in the post-military phase of the Geneva settlement for Indochina. The issue is of such importance that the responsibility for holding elections — or for not holding them — should rest clearly with the parties directly concerned and with the Geneva Conference powers; not (repeat not) with the Commission powers. Consequently I believe that any proposals for initiative in this matter by the Commission powers should be examined very carefully with a view to their ultimate consequences and the degree to which the Commission powers might be held responsible for any miscarriage of the political settlement envisaged in paragraph 7 of the Final Declaration of the Geneva Conference.

9. I am, of course, most anxious that the Indians should not get the impression that by opposing early and active intervention by the Commission powers in the consultations on electoral procedures, we are striking the first blow against the holding of elections themselves. When the consultations begin the State of Vietnam will certainly demand very elaborate guarantees to ensure that elections really are free, and in doing so they will no doubt have the full backing of a number of other governments including our own. I would think it likely that the conditions which the State of Vietnam will demand for the holding of elections — and quite rightly so in view of the Viet Minh performance on Articles 14(c)

and (d) — may be unacceptable to the Viet Minh and may produce a deadlock. Furthermore I suspect that all the mediatory and conciliatory capacity available to the Commission powers may be unable to prevent or resolve such a deadlock. The important thing from our point of view is to ensure that if and when a deadlock does occur, the responsibility for dealing with the resulting situation rests with the Geneva Conference powers, and not with the Commission powers. Meanwhile we must act and speak as if we expected the elections to take place, as we do not wish to give any “lead” to opponents of elections in Vietnam and the prospect of elections occurring may spur the State of Vietnam into setting its own house in order.

10. Your telegram under reference, together with press reports of an interview given by Desai in India and reports from Hanoi lead me to suspect that Desai — if not the Indian Government — is convinced that the Viet Minh will ultimately control all of Vietnam and that it is therefore desirable that this control be established through the peaceful means of elections at the scheduled time so that the consolidation of the “peace area” in Southeast Asia will not be hindered by renewed threats of hostilities which might arise out of a deferment of the elections. The trouble with this line of thinking — if it indeed represents the attitude of Desai or the Indian Government — is that it leaves out of account the fact that the State of Vietnam is not disposed to knuckle under to the Viet Minh and that its voluntary concurrence is essential to any plan for all-Vietnam elections. The problem will be to convince the Indians that the untidy state of affairs which seems to be in the making will be more a consequence of Communist policies and practices in North Vietnam than of United States efforts to assist the government in the south.

11. In view of the foregoing I think it will be desirable for the Indians to be informed soon of our reservations with respect to the role of the Commission powers in the consultations on preparations for elections, well before any of the opponents of elections in Vietnam show their hand. I would appreciate any advice you might have to offer as to how we might best convey to the Indians our misgivings on this score. I am thinking of suggesting to the Prime Minister that he mention the problem in broad terms to Mr. Nehru in any private talks he might have with him at the Prime Ministers’ conference.³

[L.B.] PEARSON

576.

DEA/50052-F-40

*Le haut-commissaire en Inde
au secrétaire d’État aux Affaires extérieures*

*High Commissioner in India
to Secretary of State for External Affairs*

TELEGRAM 55

New Delhi, January 29, 1955

SECRET. IMMEDIATE.

Reference: Your telegram No. 37 of January 24.

ELECTIONS IN VIET NAM

1. Your telegram was received on January 28.

³ Voir/See Document 241.

2. Am I correct in concluding that your present approach to the problem differs from the preliminary thinking of the Department as set forth in letter Y736 of October 20 and enclosures?† We passed this preliminary thinking on to the External Affairs Ministry. At that time it seemed desirable to the Department that the Electoral Commission should be established before “next April” in order to avoid reference to the existing Commission of problems arising from the joint Viet Nam—Viet Minh discussions on electoral procedures. The Department also at the time thought that some preliminary study of the anticipated functions of the Electoral Commission by the Indians, ourselves and possibly later the Poles might be worth while particularly since it was in our interest to do what we could to see that the terms of reference of the Electoral Commission were precisely drafted.

3. The Commonwealth Secretary’s views as set forth in my telegram No. 28 of January 18 are substantially in accord with the Department’s preliminary thinking. It will, therefore, be a difficult undertaking to swing the Indians into what now appears to be your line of thinking.

4. My impression is that the Indian Government would become immediately suspicious of our good faith if we were to insist on the conclusion by the representatives of the two zones of Viet Nam of an agreement on electoral procedures acceptable to the Geneva Conference powers before the Electoral Commission is set up. I, therefore, think that the alternative in your paragraph 6(b) is preferable. I understand this alternative to mean that the Electoral Commission could be set up in the near future with preliminary terms of reference so that its technical advice and good offices would be available to the two parties. It would be essential to make clear to the Indians that the restrictions in the preliminary terms of reference would not, of course, apply to the “further terms of reference” which would later be provided to cover the supervision of this stage.

5. The Indians, as you know, suspect that the United States intends to torpedo the settlement in Viet Nam and that in particular the United States will use its best efforts to see that a free election does not take place. The Indians also believe, on the basis of reports from their own people in Viet Nam, that in a free election the Democratic Republic would receive up to three-quarters of the vote in the south. They are confirmed in this view by reports of independent observers.

6. It will, therefore, be likely that any such marked change as you suggest in our policy from that set forth in our preliminary thinking will be interpreted by them to mean that we are giving in to United States pressure.

7. My impression also is that the Indians consider the Geneva settlement as a package deal under which the north give up the possibility or indeed the probability of a complete military victory in the south in return for the promise of free elections. They consider Ho Chi Minh an intelligent statesman and they would find it hard to believe that he will not be willing to agree to any reasonable requirements for free elections since in their opinion he is certain to win them.

8. Because of these Indian beliefs, they have for some time assumed that Viet Nam would be unified under Ho Chi Minh and that the problem which they and their friends face is to prevent an extension of his influence into Laos and Cambodia which they would consider disastrous. I had hoped that if the western world played its cards well we could get substantial cooperation from India in this task.

9. If, however, the Indians come to believe that the prospect of free elections has been frustrated by the United States and its friends, their inevitable tendency will be to wash their hands of the results. Among the results might be a collapse of the régime in the south and a renewal of hostilities.

10. In view of the very great difficulties that lie ahead, I think it is essential that Mr. St. Laurent have as frank a discussion as possible with Mr. Nehru in London. It would be helpful if this were followed up by a talk between Léger, Robertson, Pillai and Menon. It is important to include Menon since he will shortly be made a Cabinet Minister.

11. In the light of Mr. St. Laurent's report of Mr. Nehru's conversation you might then wish to reconsider the line of thinking set forth in your telegram. I shall, therefore, not indicate your present line of thinking to the Indians until I have further instructions from you. I will stick to my present line which is that set forth in the last sentence of your paragraph 9 — to act and speak as if we expect the elections to take place.

[E.] REID

577.

DEA/50052-A-40

*Le commissaire de la Commission internationale de surveillance
pour le Vietnam
au secrétaire d'État aux Affaires extérieures
Commissioner, International Supervisory Commission for Vietnam,
to Secretary of State for External Affairs*

TELEGRAM 53

Hanoi, January 30, 1955

SECRET. IMPORTANT.

Reference: My telegram No. 36 of January 21.†
Repeat New Delhi No. 12.

FREEDOM OF MOVEMENT

1. The Committee on Freedoms have just completed what I consider to be a very satisfactory report and recommendation on the general question of freedom of movement under Article 14(d). It is on the agenda for the Commission meeting on January 31st (copy is being forwarded in tomorrow's bag).

2. The report is strong on record of Democratic Republic in their failure to carry out their responsibilities in this field; the Poles are willing, apparently, to accept fairly strong recommendation. The Indians in Committee have not been prepared to emphasize fear of people about Democratic Republic reprisals, perhaps because the hope that in some way there might be a better prospect of enlisting Democratic Republic cooperation in the implementation of the recommendation. Under the circumstances to retain unanimity and to avoid stirring up Polish objections, particularly insofar as recommendation is concerned, we did not press our points concerning political tests and fear of harassment. The report still makes it quite clear, both directly and by implication, that so far the situation concerning freedom of movement has been very unsatisfactory and that the Democratic Republic authorities have not taken steps to improve it.

3. The main points in the recommendation are as follows:

(a) Intending evacuees should be able to obtain from officers in charge of communes, within 15 days, permit valid to travel from place of residence directly to the other zone. Persons residing in a place different from their permanent homes should be permitted to apply to local office.

(b) Permits should be valid for 2 months and extension, if necessary, should be automatic.

(c) If permit is refused reasons should be given and applicant should have right of appeal to higher authority and get final reply within 10 days.

(d) Separate applications should be made by each adult but parents as legal guardians should apply for children.

(e) There should be no detailed enquiry into the motives before permits are granted. A simple declaration of a definite wish to go and live in the other zone should be adequate.

(f) Permits should be granted to all persons who have not been either convicted or are undergoing trial.

(g) Reasonable facilities to take moveable property, after discharge of outstanding dues, should be provided.

(h) Transport facilities at a reasonable cost should be made available and the parties should consider giving (or allowing private organizations to give) assistance to destitutes.

(i) Intending evacuees should have freedom to meet and discuss plans in a peaceful and orderly manner.

(j) Parties should indicate every fortnight the numbers of applications received, permits issued, applications refused and the reasons for refusal.

(k) Further detailed announcement as to the new procedure should be made (please compare above with points in paragraph 6 of my telegram No. 9 of January 6).⁴

4. To enable Commission to keep informed of progress made in implementation the Committee recommends that

(a) The freedom branch should provide every week a survey of petitions received concerning freedom of movement,

(b) The PRO should prepare survey of press announcements or news items relating to same subject,

(c) Committee on Freedoms itself should submit fortnightly progress report,

(d) At the beginning of March one or two mobile teams might be sent to main areas concerned to ascertain position and settle any problems in co-operation with local authorities.

5. I anticipate that as soon as agreement is reached by the Commission on the recommendation it will be submitted to the two parties for their comments and suggestions which will be considered before the recommendation is finalized.⁵ After the first, but before the second stage I propose to call informally on the Chairman and to enlist his support for three measures which are primarily devised to publicize the recommendation and to exert some pressure on the parties as regards presentation:

(a) A further interim report to the co-chairmen,

(b) A full press release by the Commission, and

(c) A formal call by the Commission on the ministers concerned both north and south, to stress the importance of the recommendation (as you will recall these measures are envisaged in paragraphs 5 and 13 of my telegram No. 9 of January 6).

⁴ Voir/See Document 571.

⁵ La recommandation a été formellement approuvée « without important changes » et remise aux deux missions de liaison le 1^{er} février. Voir Hanoi à Ottawa, télégramme N° 60 du 2 février 1955, MAE/50052-A-40.

The recommendation was formally approved "without important changes" and given to the two liaison missions on February 1. See Hanoi to Ottawa, Telegram No. 60, February 2, 1955, DEA/50052-A-40.

6. When I call on the Chairman you may consider it desirable to make similar suggestions in New Delhi. As soon as I can determine when Commission will first submit draft recommendation to the parties I shall advise you of timing of my call on Chairman through United Kingdom facilities.

7. Should you decide to make further move in New Delhi I suggest the 3 following points be taken into account.

(a) It should not be intimated that Chairman's attitude here has not been fully satisfactory as regards the report and the recommendation on this issue, the line should rather be that steps taken so far are encouraging and that measures envisaged in paragraph 5 above are devised to ensure success of the Commission's effort to promote co-operation.

(b) Representations should be made in such a way that Chairman here will not be led to believe that move was made at our instigation.

(c) As in course of my last conversation with Chairman on this subject I referred to Minister's concern, you may find it advisable to present our further comments and suggestions as coming from the Minister rather than have matter dealt with at official level.

578.

DEA/50052-F-40

*Le secrétaire d'État aux Affaires extérieures
au haut-commissaire au Royaume-Uni*

*Secretary of State for External Affairs
to High Commissioner in United Kingdom*

TELEGRAM 148

Ottawa, February 2, 1955

SECRET. IMPORTANT.

Reference: Your telegram No. 122 of February 1† and New Delhi telegram No. 55 of January 29.

Repeat New Delhi No. 67.

ELECTIONS IN VIETNAM

The Minister and Mr. Léger may be interested in the following Departmental Comments on Mr. Reid's telegram.

2. Our position on this last October was (a) that some consultation between the Commission Powers and the Geneva Conference powers would be desirable before representatives of the two zones of Vietnam begin consultations on the holding of the elections next July (reference to next April arose out of an error in our English translation of the Final Declaration); (b) that it would be desirable for the Electoral Commission to be established before that time as otherwise problems arising from the joint Vietnam-Viet Minh discussions on electoral procedures might be referred to the present Supervisory Commission for settlement; and (c) that this latter eventuality would not be satisfactory since the Supervisory Commission as now established has been given no specific responsibilities for dealing with election questions.

3. Departmental thinking on this subject has not changed significantly but a further examination of the procedure for the preparations for the elections and for setting up the supervisory machinery has brought new difficulties to light. We do not object to the establishment of the elections commission before the inter-zonal consultations begin, nor to discussions between the Commission governments and the Geneva Conference powers on

this subject before July. What we are concerned to avoid is the establishment, as a result of hasty action by the Commission powers, of the electoral commission with broad and ill-defined executive powers. Moreover we believe that any consultations between the Commission powers and the Geneva Conference powers on the matter of preparing for the establishment of the electoral commission should be carried on in private, so that no public commitments would be involved before we have had an opportunity to study the matter thoroughly and the Saigon government would not be provoked into any rash statement on the elections before the time for inter-zonal consultations arrives.

4. The early establishment of the elections commission with very broad terms of reference perhaps involving some executive responsibilities would in our view have very serious consequences. In the electoral commission our position will be a good deal weaker than it now is in the Supervisory Commission; we cannot, in view of the Indian attitude as described by Mr. Reid, expect the Indians to be as insistent as we may wish to be about adequate safeguards for free elections. If, therefore, in the consultations stage the electoral commission had the power to arbitrate differences between the two parties, we might find ourselves overruled more often than not. We would then — presuming some kind of “agreement” on electoral procedures might be reached — find ourselves in the unfortunate position of having to choose between participating in the organization and supervision of completely farcical elections and walking out of the Commission.

5. It seems to us therefore that it is essential that such a situation be avoided. This we believe can be done if the responsibility for taking the initiative in carrying out the policies laid down in the Final Declaration is left to the Governments which drew up the declaration. It seems entirely inappropriate to us that the Commission powers, which lack the capacity to influence the course of developments in Indochina, should be saddled with or should arrogate to themselves the responsibility of effecting the political settlement envisaged in the Final Declaration.

6. Accordingly we have advanced the view that the Geneva Conference powers could invite the Commission powers to assist by means of good offices in the inter-zonal consultations, and that only after these consultations have produced an agreement on electoral procedures acceptable to the Geneva Conference powers, the latter could invite the Commission powers to supervise the elections and indicate how this supervision is to be carried out. This procedure should ensure that the Geneva Conference powers take responsibility for each stage of the political settlement. Furthermore we can hope that the United Kingdom and France would not consent to any arrangements that would compel the State of Vietnam to agree to a travesty of the political settlement envisaged in the Final Declaration.

7. Mr. Reid's outline of India's attitude on the question of elections suggests that some exchange of views with the Indians in London is indeed desirable, since there appears to be a wide divergence between their thinking and our own, which is based on fair elections as a means to the broad political settlement outlined in paragraph 7 of the Final Declaration. It would, of course, be desirable to follow the principle of speaking and acting as if we expected elections to take place. It might, however, be appropriate to suggest to the Indians:

(a) the desirability of ensuring that the Geneva Conference powers take some continuing responsibility for the implementation of the political settlement envisaged in the Final Declaration;

(b) the desirability for clear and well-defined terms of reference for the elections commission, to be drawn up in separate stages covering first any responsibilities which the

Commission powers may be asked to assume in the consultations phase, and subsequently, the responsibilities of the election commission in supervising the elections;

(c) that we attach great importance to the holding of elections in accordance with *all* the conditions laid down in paragraph 7 of the Final Declaration — that the political settlement “shall permit the Vietnamese people to enjoy the fundamental freedoms guaranteed by democratic institutions established as a result of free general elections by secret ballot” and that “all the necessary conditions obtain for free expression of the national will”.

8. Expression of our misgivings in another context about the Viet Minh performance on Article 14 (c) and (d) of the Vietnam agreement may help to impress upon the Indians that the conditions mentioned in (c) of the previous paragraph do not appear to be developing, and the fact that they are not developing is solely the responsibility of the Viet Minh.

9. If there should be any suspicion on the part of the Indians that we are retreating from the prospect of elections, we could explain that we have become somewhat more cautious about our commitments because our experiences with the Vietminh over the past few months have caused us to doubt their intention to fulfil any aspects of the Geneva agreement involving personal freedom and we are determined not to accept any responsibility for sanctioning phoney elections.

10. It is only honest to admit to ourselves that our scepticism about the elections is the result also of our awareness of apparent American and South Vietnamese intentions to consider themselves uncommitted by this provision. This, however, is something which, we recognize as a fact of life. We do not encourage this attitude, we are under no pressure from the Americans or the French to this end, and we are in no sense in collusion with the SEATO powers for any purpose inconsistent with the Geneva agreement.

579.

DEA/50052-A-40

*Le haut-commissaire au Royaume-Uni
au secrétaire d'État aux Affaires extérieures
High Commissioner in United Kingdom
to Secretary of State for External Affairs*

TELEGRAM 155

London, February 6, 1955

SECRET

INDO-CHINA

At Saturday morning's meeting [with Nehru], the Prime Minister and I brought up certain questions regarding the work of the armistice commissions in Indo-China, indicating our concern over the obstacles in the way of the free movement from the north to south, and over the forthcoming elections.⁶ We tried to make it clear that we did not wish the commissions to be used as a cloak for elections which were not completely free. It was important to give this matter consideration in the Commission, but the initial responsibility in working out arrangements rested, of course, with the two parties in Vietnam. I indicated that the obligation under the armistice for the existing commissions to supervise elections was not clear, but the Indian demurred at this and thought the duty of the Commission had been specifically laid down in this matter.

⁶ Voir aussi/See also Document 241.

2. We also brought up the difficulties in the norther provinces of Laos, and the desirability of winding up the Cambodian Commission as quickly as possible. In this connection, we made reference to the fact that the Poles could veto the wind-up action required, but that we must not allow this to happen. I mentioned the desirability of India becoming more and more influential in Cambodia.

3. Our discussion of these matters was in general terms, but Léger will be pursuing them further with Pillai.

[L.B.] PEARSON

580.

DEA/50052-A-40

*Le sous-secrétaire d'État aux Affaires extérieures
au secrétaire général du ministère des Affaires extérieures de l'Inde*

*Under-Secretary of State for External Affairs
to Secretary-General, Ministry of External Affairs of India*

SECRET

[London], February 7, 1955

My dear Pillai,

Following our conversation yesterday, I have jotted down a few ideas on how we envisage the role of the Commission powers in the supervision of the elections in Indochina. The attached notes may be of some interest to you at this stage in the development of this difficult problem. You may wish to pass on to Escott Reid any comment you may care to make on these notes.

I take this opportunity also to enclose some views on freedom of movement in Vietnam, a subject which was raised at the meeting which you attended on Saturday at the Foreign Office.

Yours sincerely,

[JULES LÉGER]

[PIÈCE JOINTE 1/ENCLOSURE 1]

[SECRET]

VIETNAM — SUPERVISION OF GENERAL ELECTIONS

The task which Canada, together with India and Poland, assumed in Indochina at the invitation of the Geneva Conference is limited to supervision of the implementation of the cease fire agreement only. As the Final Declaration of the Geneva Conference calls for the supervision of general elections in Vietnam in July 1956 by an international commission composed of representatives of India, Poland and Canada, we assume that the Geneva Conference powers will, at the appropriate time, invite these three Governments to undertake the supervision of the elections, and indicate how this supervision is to be carried out. It is our view that terms of reference for a commission which will supervise the general elections cannot satisfactorily be drafted until agreement on an electoral law or on electoral procedures has been reached by representatives of the two zones of Vietnam and approved by the Geneva Conference powers. Such an agreement, we hope will emerge from the consultations on elections between representatives of the two zones of Vietnam which are, according to the Final Declaration, to begin in July 1955. Should the governments of the

two zones of Vietnam want to have the assistance of the Commission powers in their consultations, we assume that they or the Geneva Conference powers will take the initiative in seeking such assistance. The responsibilities which the Commission powers might be called upon to assume in this connection would have to be agreed upon by the two governments of Vietnam and, we believe, should be approved by the Geneva Conference powers.

[PIÈCE JOINTE 2/ENCLOSURE 2]

SECRET

VIETNAM — FREEDOM OF MOVEMENT

Since the International Commission in Vietnam first began its work last August there have been repeated indications that the Democratic Republic authorities in North Vietnam have not carried out in the manner intended the provisions of the Vietnam agreement requiring them to permit and help those persons wishing to do so to move from the northern zone to the south. Recent reports from the Canadian Commissioner in Hanoi (based on reports from the Commission's inspection teams) indicate that the Democratic Republic procedure for issuing permits to persons wishing to go south is so complex as to imply a practical refusal to allow freedom of movement; that the would-be evacuees, due to fear of reprisals, are reluctant to seek the necessary permits; and that there is practically no evidence that aid of any kind has been provided by the Viet Minh authorities to those wishing to move. These indications create a very strong presumption of non-compliance on the part of the Viet Minh with the provisions of the Agreement concerning freedom of movement, although a good deal of the available evidence does not meet the quasi-judicial standards for proof of a violation which must be applied in the Commission.

This situation has been a matter of grave concern to the Canadian Government and the Canadian people and throughout the free world, particularly as it appears that the majority of persons affected wish to leave the north in order to practice their religion freely. The provision for the movement of civilians is an unusual one in a military armistice, and is perhaps secondary in importance to the main provisions of the cease fire agreement concerning the regroupment of military forces. Furthermore it is not altogether surprising that the Democratic Republic, with its Communist orientation, should not comply fully and willingly with these particular political provisions of the armistice agreement. Nevertheless their failure to do so does amount to a violation of the spirit and meaning of the agreement and creates distrust and ill will between the parties, making the implementation of the main provisions of the agreement the more difficult. Finally the Viet Minh attitude in this matter creates an atmosphere which is not at all conducive to the working out of a political settlement for Vietnam as a whole which, in the words of the Final Declaration of the Geneva Conference "shall permit the Vietnamese people to enjoy the fundamental freedoms, guaranteed by democratic institutions established as a result of free general elections by secret ballot".

It is impossible for the International Commission to secure full compliance by a party to the agreement with the provisions for freedom of movement if that party is determined to evade its responsibilities. Nevertheless it is our hope that further recommendations on this subject can be adopted by the International Commission which will define clearly the procedures which the parties should follow in order to facilitate the movement of civilians in the time remaining under the agreement — that is, until May 18 of this year.

581.

DEA/50052-A-40

*Le commissaire de la Commission internationale de surveillance
pour le Vietnam
au secrétaire d'État aux Affaires extérieures
Commissioner, International Supervisory Commission for Vietnam,
to Secretary of State for External Affairs*

DESPATCH 67

Hanoi, February 7, 1955

SECRET

Reference: Our Despatch No. 110 of October 19, 1954.†

FUTURE OF THE INTERNATIONAL COMMISSION

On reviewing the forecast made last October I find that, on the whole, our assessment of the future work of the Commission and of our position in relation thereto was generally accurate. It may be useful at this time, after some six months of experience in Hanoi, to review the situation and to attempt an analysis of its implications insofar as Canada is concerned.

2. The main problems facing the Commission now are the following:

- (a) the control of the import of arms and military equipment;
- (b) the regroupment of forces;
- (c) the exchange of prisoners of war;
- (d) freedom of movement;
- (e) democratic freedoms.

3. I propose to outline my views as to the prospects of action under each heading and then to examine what repercussions, if any, may be foreseen for Canada.

4. On the whole, I still feel that generally the main purposes of the Agreement are likely to be achieved and that the regroupment of forces may be effected without major difficulties. The situation may become complicated later and there may even be a risk of resumption of hostilities should it be impossible to resolve the deadlock over elections. This problem, is not for the present Commission to solve, and I am, therefore, confident that insofar as the supervision and control of the execution of the cease-fire arrangement (as distinct from the political settlement) is concerned the present Commission has a fair chance of being able to conclude its task in a generally satisfactory way, at least, I repeat, insofar as the major military provisions are concerned.

5. On the control of the *import of arms and equipment*, I foresee that the Commission's net will be drawn tighter. How much, if any, war material may have been introduced before the Commission's teams were in position we do not know. There will be long discussions with the Poles and innumerable objections raised by the DR authorities but, gradually, in some way gaps will be covered, better methods of investigation and control will be devised and it is possible that within another six months the Commission may be in a position to exercise a fair degree of control. Because of the nature of the country and given the provisions of the Agreement (which for instance do not allow the Commission to check existing war equipment and bases) control can never be fully effective but it may enable the Commission to detect important movements of major items of war equipment. And it is possible that before too long the Commission may be in a position to satisfy itself and the

Geneva Powers that, in general, the provisions of the articles in Chapter 3 are being adequately supervised. The Commission, I think, if the present trend continues, is not likely to find itself in a position of impotence and ignorance if allegations are made that these articles are being violated, and Canada will not, therefore, I think, be placed in the position of having condoned an inadmissible (but not satisfactorily proved) situation or having to enter minority protests on this score. Things will not be fully satisfactory but they will probably not be generally so bad as to raise an awkward issue for us and to involve blame for our association with the Commission.

6. On the *regroupment of forces*, the prospects are slightly, but just slightly, more encouraging. Both parties have been urged to make plans for the orderly handover of the Haiphong area and of the Central Sector. In the case of Haiphong, as the parties did not seem to be able to reach agreement on principles to govern the removal of stocks and equipment, the Commission has intervened in a decided, if somewhat belated fashion. Given the tactics of the DR authorities, it is perhaps too much to hope that there will not be "spontaneous popular" demonstrations in Haiphong and that attempts will not be made to delay operations in the expectation that anything which the French will not have time to remove will be net profit for the Viet Minh. Given, however, the importance of the material in dispute, I doubt whether the DR authorities will promote agitation beyond the critical point. The Commission will have to make constant and determined efforts to get the two parties together. If the DR authorities do not live up to the spirit of the Commission's proposals, this will have to be established; the Commission may have to intervene in many disputed cases and a major effort will be required to supervise the actual handover but I do not foresee great difficulties or implications insofar as Canada is concerned.

7. The DR authorities may create trouble after they have withdrawn from the Central Sector, in spite of the precautions which may be taken by the National Vietnamese Government and the French. They may repeat their performance of last fall and promote incidents devised to support whatever may be their main propaganda objectives at that time. There is a possibility, however, that as the time for all-Viet Nam election talks draws nearer, the Viet Minh may pursue a more restrained policy. They will still be vituperative and exploit for their purposes such incidents as are bound to occur but I am not sure that they will have recourse on the same scale to their previous tactics. In any case, the Commission through investigations and recommendations may assist in keeping the situation under control. A number of mobile teams will be required as in Haiphong to observe the actual handover but beyond the administrative effort involved, I am not particularly concerned over this phase of the operations. Later on, given the probable Viet Minh hold in the Central Sector, there are bound to be difficulties as the National Vietnamese Government proceeds to set up and consolidate its authority.

8. The question of the *exchange of prisoners of war* may present some difficulties but not of a very serious character. In fact, substantially all prisoners of war have been exchanged. The present dispute largely concerns the fate of those who have disappeared in the years of fighting and who are now unaccounted for. The French, under pressure from the families both in France and in the French Union, are pressing for definite replies so that pensions, wills and other technical problems can be settled: they also stress the psychological difficulties created by this uncertainty for the families concerned. For their part, the DR authorities are not in a position, I believe, to account accurately for most of those they captured; the nature of the country and the conditions of war here were such that in most cases prisoners had little chance of survival. Yet, if the DR authorities were to give satisfaction to the French on this point, the propaganda implications would be most serious. I foresee that this issue will continue for some time to poison the atmosphere. The Commission, up to a

point, can exert pressure on the DR authorities to investigate specific cases and to give definite replies, but I am afraid that this problem is unlikely to be finalized ever to the satisfaction of the French. Again, the issue is not vital, if it is a bitter and sad one, and we are unlikely to be subjected to unusual pressures either from the French or from public opinion in the West generally because of the Commission's obvious inability to solve it completely.

9. The problem of deserters may also lead to an impasse or create an awkward situation for the French under the provisions of Article 21 (para c) but again, this is not an issue which will be important in terms of the Commission's or of our own record.

10. *Freedom of Movement* has been a subject of permanent and deep interest to us and our record as a member of the Commission is likely to be judged to a considerable extent by the performance of the Commission in this field. As you have pointed out, in your instructions, while the issue is very important in terms of public opinion in the West, it must be remembered that the Geneva Agreement is primarily a military settlement, and that the implementation of the military provisions should not be prejudiced by action taken with respect to Freedom of Movement. As a consequence, we have reached the conclusion that while the Commission must make every effort to induce compliance with 14(d) as long as our position is fully understood by the Geneva Powers, as long as these Powers are fully advised as to the Commission's efforts and the record of the parties, the issue should not be pressed to the point when the precarious military balance established by the Agreement may be upset.

11. I am satisfied that, on the whole, and particularly if the Indians and the Poles maintain their present attitude, it will be possible for the Commission to perform in a manner which will secure such co-operation from the parties as it is reasonable to expect; the Commission has a fair chance of being able to keep the record clear and to show that if Article 14(d) has not been carried out fully the fault lies with the parties themselves. The weakness in this situation and the possible risks for Canada stem from the danger that public opinion in friendly Western countries, may not appreciate that even if the outcome of the Commission's efforts in this field are not as satisfactory as might be desired, failure to achieve full success was not worth risking a resumption of hostilities. We can protect our position to some extent through private discussions with the friendly Geneva Powers and through formal reports to the Co-Chairmen but there is no doubt that it will be easier for most people to yield to emotional reactions than to exercise the articulate political judgment which is needed to accept the situation; friendly political leaders may find it hard to present the problem in its true perspective without appearing to be cynical and unkind.

12. The situation, therefore, will be determined by the record of the parties, by the ability of the Commission to publicize it, and for us, by the degree of understanding for the real problem involved we may be able to obtain from friendly governments and from public opinion in the West generally.

13. It is difficult to forecast whether the DR authorities will alter the rigid and negative policies they have followed so far concerning Article 14(d). The following points may be relevant:

(a) While we have no means of estimating accurately the number, we are told that if the door were wide open, from 1 to 2 million people might leave North Viet Nam. It is clear that this would result in a major political and economic defeat for the Viet Minh, even if the number were very much smaller. I do not expect therefore, for this reason, more than limited co-operation;

(b) it is against Communist policy everywhere, it seems, for the régime to allow people whether Catholics or not, to leave freely: psychologically as well as for political reasons it must be very difficult for the DR leaders as well as for the local authorities to allow people to leave the area under their control;

(c) we are told by the French here that, according to radio monitoring reports, the DR authorities have told the local officials that in places where the Commission is likely to go a few permits should be issued to those who wish to leave at all costs. This is, if true, an ominous indication.

14. On the other hand, the Commission's recommendation is firm, if not entirely airtight; some degree of control is foreseen, the three delegations, for reasons of their own, seem to be agreed that the DR performance so far has been inadequate and the DR leaders themselves must realize that if they adhere to their present policies, they may provide the régime in the South with a good reason for refusing to make an electoral deal with them.

15. On the whole, therefore, my view is that the flow of refugees is likely to increase. I doubt whether it will be very large but, depending on the evolution of the general political situation and on the degree of pressure which the Commission may be prepared to exercise, I anticipate that there will be some improvement in the number of permits issued between now and the end of the 300-day period. It may also be possible to provide proof that due to the Commission's intervention more refugees will have been able to leave North Viet Nam. How many more remains to be seen.

16. I am equally satisfied that there is a fair chance that the Commission may be able to ascertain the extent of compliance by the DR authorities and to keep the Geneva Powers informed in good time. True, the volume or the nature of the evidence which will be available will leave much to be desired but, even in unfavourable circumstances such as Ba Lang, the DR authorities are unable to hide the major facts of the situation. It may be difficult to obtain this evidence quickly enough but it seems that both my colleagues want to make sure that the Commission itself will not be blamed for failure because it has not taken adequate steps or given the Geneva Powers, in good time, an opportunity to intervene. It will be important, particularly insofar as we are concerned to expose DR shortcomings in the implementation of 14(d).

17. Judging from what we know here of the attitude of the French and of the U.K., it would seem that it might not be too difficult for us to persuade at least the governments that, so far, the Commission's record, particularly in the course of the last month, is not too inadequate and that Canada which has made every effort to promote earlier and stronger action has not compromised through her continued membership vital Western interests or principles. The problem may be more delicate in U.S. terms and on this we are not in a position to comment.

18. It would seem to us, therefore, that while full success is out of the question, the Commission's performance in relation to 14(d) is not likely to result in discredit which might reflect on Canada. In fact, there are reasons for believing that energetic, if measured, action may have worthwhile effects even in the short period remaining before the 300-day period. During this period, it will be important for us to proceed with the full understanding and support of the friendly Geneva Powers and for the Commission to report promptly any evidence of DR evasion of their responsibilities so that the problem is submitted in time to the Geneva Conference.

19. I turn now to *democratic freedoms* which is one of the major issues facing the Commission. In this regard, it is important, of course, to bear in mind that in this part of the world and particularly in this country, after eight years of war, democratic freedom is not

and cannot be understood and practised as in the West and a compromise on elections may only be possible if this basic fact is taken into account. It will be obvious that such action as may be taken by the Commission in the field of 14(c) may have an effect as regards the maintenance of peace and order in both zones, the possible improvement of relations between the parties and more particularly the prospect of elections. I foresee that some difficulties are likely to arise in this field even for the present Commission. It may not be easy for us, particularly as time goes on, not to get involved in schemes to define democratic freedoms and in moves devised to assist in promoting pre-elections talks. Even if we succeed in getting the Commission to avoid these issues, it has the continuing responsibility of supervising the behaviour of the parties in relation to 14(c) and the recommendations it may have to make will have implications insofar as elections are concerned. For the immediate future and until the end of the 300-day period, I anticipate no unusual problems; particularly if, as I suspect the DR were now to pursue a more cautious line as the time for election talks is approaching: in any case the issues which will arise in relation to Article 14(c) will soon have to be approached in the light of our policy concerning the general problem of the Electoral Commission.

20. Our task will be all the more difficult in supervising 14(c) in that over the last few months it has become very clear that the Viet Minh régime in fact is undistinguishable from other Soviet Satellites. Democratic freedom not only as we understand it but as it should operate even in these areas is non-existent in the North; so far, by requesting investigation of incidents in the South, the DR leaders have focused attention on the shortcomings of their opponents in the application of democratic principles. The DR performance on freedom of movement is obviously a black mark against them in this field and the determination of Catholics to leave suggests that the DR record is not better insofar as religious freedom is concerned. I doubt, although there is no evidence before the Commission as yet, whether there is here any freedom of speech or of writing. There certainly is no freedom of meeting. I foresee that, before long, the investigations of the Commission will lead to discussions on at least practical definitions of democratic freedoms. As I indicated above, before the election talks, there are signs that the DR authorities may be more cautious but [it] is a question how far expediency will overcome ideological considerations. If the present methods are applied it will be difficult as I see it, for the Commission to expose clearly the real limitations of freedoms as understood and practised by the DR régime; findings or recommendations may be made on the basis of reports submitted by mobile teams operating under the present instructions, which might make it more difficult for the South to insist on principles and guarantees which will ensure fair elections. This is a prospect which I envisage with some concern when I consider the tasks of the present Commission after the 300-day period. For this reason the question of the Electoral Commission and our position in relation to it must be approached with very great caution.

21. The question of the DR subversion and infiltration in the South is also linked to the implementation of Article 14(c) and the outcome of elections. The DR authorities are likely, I think, to develop their subversive activities in the South to improve their position prior to the date set for the elections and to prepare the situation for a resumption of hostilities should this appear to be desirable later on. Unless, therefore, the National Vietnamese Government take effective steps to locate and isolate DR agents, the results of elections are likely to be affected; if their action is effective, the DR authorities will appeal to the Commission claiming that the provisions of 14(c) have been violated. The French have already drawn the attention of the Commission to the subversive activities of the DR authorities in the South and there are indications that the State Department is quite aware of the importance of anti-Communist propaganda in the South and of providing the South Viet Nam

Government with adequate forces for internal security purposes. It is not impossible should there be a deadlock on elections that the Viet Minh might assist a rebellion in the South and attempt to turn in this fashion the provisions of the Manila Pact [SEATO]. Subversion and infiltration in the South will, however, be a continuing operation and may only become a serious problem for the present Commission after the 300-day period and as a result of a deadlock over elections. Even if there is no deadlock the DR authorities as the elections draw nearer are likely to step up their operations in this field and it is possible that delicate issues might arise for the Supervisory Commission.

22. To sum up, if I can make a general forecast, I would say that, as you said when you announced the Government's decision to serve on this Commission, the task will still be difficult and hard but, it may turn out to be a worthwhile contribution to peace in this area, as in the world generally.⁷ There have been times when the Indians seemed to us to be weak and procrastinating, when the Poles carried out their usual stalling and blocking tactics, and we ourselves wondered if a more aggressive policy on our part would produce more satisfactory and speedier results. But it is a fact that over a period of six months unanimity, for what it may ultimately be worth, has been maintained and, in some cases, effective if modest and perhaps belated action has been possible. True the results have been on a limited scale and dearly won but the fact that there have been some results and that, in some important respects the task has been carried out may be the most significant feature of this operation. As you know, at times, we have been greatly worried about the situation and we have been concerned lest our continued presence in the Commission might compromise our standing vis-à-vis the West: my present view is that with continued vigilance and determination provided the Indians particularly remain firm and if there is no major shift of policy in France or in the West generally, we can perform a limited but useful task here.

SHERWOOD LETT

582.

DEA/50052-F-40

*Note du secrétaire d'État aux Affaires extérieures
pour le sous-secrétaire d'État aux Affaires extérieures*

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

SECRET

[Ottawa], February 18, 1955

INDOCHINA

In my discussion with Mr. Dulles in New York on Wednesday, I raised the question of the Indochina Commissions and, more particularly, the difficulties which may arise over elections in Vietnam. I told Mr. Dulles that if it was the policy of the United States Government, in conjunction with the French, to delay or prevent elections in southern Vietnam, we should be informed because of our responsibilities on the Commission. Mr. Dulles said that they had no policy in this matter at present, and felt that the question would not arise for some time, at least until July of this year, under the armistice arrangement. He felt,

⁷ Voir/See Volume 20, Document 743.

however, that the difficulties in the way of holding elections in two parts of a country which were so hostile to each other would likely prove insuperable.⁸

L.B. PEARSON

583.

DEA/50052-A-40

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

TELEGRAM 121

New Delhi, February 25, 1955

SECRET

Repeat Hanoi No. 27; Vientiane No. 15; Phnom Penh No. 5.

INDO-CHINA SUPERVISORY COMMISSIONS

1. On February 25 I had an hour's conversation with Dutt, the Commonwealth Secretary. Williams accompanied me. Dutt began our talk by giving about half an hour's exposition of the situation in Indo-China and of the main problems which face each of the three Commissions. Dutt seemed primarily concerned at the moment not with such questions as freedom of movement in Viet Nam or the clashes in the two northern provinces of Laos, but with what appears to him and, I think, to Mr. Nehru to be the danger of the whole settlement in Indo-China breaking down not as the result of developments in Indo-China itself, but because of tensions created by the crisis over Formosa and the coastal islands and the Bangkok SEADO Conference. These tensions appear, for example, to have resulted in the Polish Ambassador in Viet Nam having received new instructions. Desai has reported that because of these instructions the Polish Ambassador is adopting a more obstructionist attitude. When at the very end of our conversation I raised the question of the implementation of Article 19 of the Laotian Agreement, Dutt was inclined to dismiss this matter with some impatience on the ground that it was unrealistic, in the kind of atmosphere which now existed, to expect the Pathet Lao forces to disclose their precise location.

2. The changes in the constitution of Cambodia contemplated by the King, the public charges about the presence of free Thai forces in or near the north of Laos and above all the fact that, according to Dutt, Hoare-Belisha told Mr. Nehru on February 24 that Diem had told him that there would be no elections in Viet Nam have all added to the apprehensions of the Indians of a possible break-down of the Geneva settlement. Dutt said that Nehru, when speaking to Eden next week, would emphasize the concern of the Indian Government that nothing should be done which might upset the present settlement. Dutt emphasized that the Indians believe that the settlement could well be upset if Laos or Cambodia, on their own initiative or because of any action of the SEADO countries, were to come under the umbrella of SEADO. The Indians consider unwise the presence of a Laotian Government observer at Bangkok and the statement which the Prime Minister of Laos issued on the eve of the Bangkok Conference.

⁸ Un autre compte rendu de ces discussions est reproduit en tant que document 720. Pearson a également discuté des élections au Vietnam avec Dulles en mars 1955. Voir le document 302.

A further report on these discussions is re-printed as Document 720. Pearson also discussed elections in Vietnam with Dulles in March, 1955. See Document 302.

3. The Indian legal adviser has given interpretations of the armistice agreements and the accompanying declarations by Laos, Cambodia, France and the Geneva powers which are at variance with the opinions of our legal adviser. In the view of the Indian adviser these declarations create binding legal obligations on their signatories. I repeated our view and Dutt said he would have the legal adviser study the declarations again, but I do not think there is likely to be any change in his opinion.

4. The value of this opinion to the Indians is that it provides them with a basis for their argument that para 7 of the final declaration of the Geneva powers

- (a) Makes the holding of elections in Viet Nam mandatory;
- (b) Imposes obligations on the signatories to do their best to see that an election is held and
- (c) Vests authority in the two co-chairmen to request India, Poland and Canada to serve on an elections Commission for Viet Nam.

5. The Indians (group corrupt) the opinion of the legal adviser that the declarations by the Government of Cambodia embody legal obligations to support their broader interpretation of the responsibilities of the Commission in Cambodia in respect of elections there. I found the argument difficult to follow, but it is based on some 'theory of attraction'. I think it is that the Khmer Resistance Forces cannot enjoy their rights under Article 6 unless the population as a whole enjoys its rights under the government's declaration.

6. The Indian legal adviser holds that the words 'democratic freedoms' in Article 15 of the Laotian final declaration includes the right to participate in free elections by secret ballot. It follows that the Commission has a responsibility to ensure that the elections conform to a general democratic pattern. I contended that this was placing much too wide a meaning on the term 'democratic freedoms'.

7. Dutt, of course, agreed when I said that regardless of our differences of opinion over the interpretation of the documents there was of course no obligation on the part of India, Poland and Canada to accept an invitation to serve on a Vietnamese electoral Commission. My own feeling was that it would be difficult for any country to accept membership in any electoral Commission of this importance, if the terms of reference were as vague as those set forth in para 7. Dutt disagreed. His view appears to be that in the initial stages the electoral Commission would act merely as a good-offices Commission to help to bring the two parties together and that before it reached the later stages of its work the members would have been able to reach agreement on the extent and nature of their responsibilities. His main argument, of course, is that it is ridiculous to think that without some outside assistance the consultations between the competent representative authorities of the two zones which are required to begin on July 20, 1955, will be held.

8. On the question of freedom of movement in Viet Nam Dutt said that Desai in his most recent fortnightly report to the Ministry had expressed concern about the attitude which the Democratic Republic has adopted. Desai apparently has indicated his personal opinion as being that the Commission should not make any further recommendations on freedom of movement until the Commission has had an opportunity to observe the record of the Democratic Republic authorities on its most recent recommendations. Although Dutt appreciates our concern about the lack of freedom of movement in the north he is not, I believe, convinced that the problem is as serious or relatively as important as we think it is. My reason for believing this is that when he spoke about the lack of freedom of movement in the north he counterbalanced his remarks about it by referring to

(a) The difficulty which the Commission encountered over a Democratic Republic liaison officer accompanying it to Saigon on its most recent visit there.

(b) The recent incident in the south when a member of the International Commission was stoned when the Commission visited a refugee camp and

(c) Democratic Republic complaints that French ships have entered its territorial waters.

9. It was only at the end of our conversation that I was able to bring up the situation in the two northern provinces of Laos. I said that Canada was anxious to ensure that Article 19 of the Laotian Agreement was fully respected and that, if there was sufficient evidence that the Pathet Lao were contravening it, our Commissioner would feel impelled to press for a clearcut decision of the Commission even if this meant a split vote.

[E.] REID

584.

DEA/50052-F-40

*Note du sous-secrétaire d'État aux Affaires extérieures
pour le secrétaire d'État aux Affaires extérieures*

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

CONFIDENTIAL

[Ottawa], February 28, 1955

CANADIAN RESPONSIBILITIES WITH RESPECT TO ELECTIONS IN VIETNAM

It is our view that Canada has no binding legal obligation to supervise the general elections in Vietnam, though we are under a certain moral obligation to do so. Our present responsibilities in Indochina derive from the invitation issued by the co-chairman of the Geneva conference on July 21, 1954, to the Governments of India, Poland and Canada. The three governments were invited "to designate representatives to form the International Supervisory Commissions for Vietnam, Laos and Cambodia as envisaged in the agreements on the cessation of hostilities, and on supervision in those three countries." No reference was made in the invitation to the supervision of elections, nor was any reference made to this task in the messages of acceptance to the co-chairman from the Indians, the Poles or ourselves. In the press statement issued when we announced our acceptance of the invitation to participate in the supervision of the cease fire, however, we said that "India, Poland and Canada are also expected to assume responsibility at a later stage for supervising elections".⁹

2. The main reference to elections in Vietnam is contained in the Final Declaration of the Geneva Conference. Paragraph 7 of the Final Declaration states in part:

"In order to ensure that sufficient progress in the restoration of peace has been made and that all the necessary conditions obtain for free expression of the national will, general elections shall be held in July 1956, under the supervision of an international commission composed of representatives of the Member States of the International Supervisory Commission, referred to in the agreement on the cessation of hostilities".

⁹ Voir Canada, Ministère des Affaires Extérieures, *Affaires Extérieures*, volume 6, N° 8, août 1954, pp. 265-268.

See Canada, Department of External Affairs, *External Affairs*, Volume 6, No. 8, August 1954, pp. 257-259.

It is clear from this passage that the Commission which is to supervise the elections is to be a separate and distinct body from the Commission which is now supervising the implementation of the cease-fire agreement.

3. The only allusion to general elections in the Vietnam agreement is a passing reference in Article 14(a) which relates to the conduct of civil administration in the regrouping zones. ("Pending the general elections which will bring about the unification of Vietnam, the conduct of civil administration . . .") Elsewhere in the Vietnam Agreement the functions of the International Supervisory Commission are defined as relating solely to the supervision of the implementation of the cease-fire terms: nowhere is there any reference to the responsibilities of the Commission powers with respect to the supervision of elections.

4. Our obligation to participate in the supervision of the elections derives from the passage in the Final Declaration quoted in paragraph two above and from the statement made in the press release of July 28, 1954 quoted in paragraph one above. In addition, our acceptance of responsibilities with respect to the supervision of the cease-fire creates a reasonable presumption that we will consider sympathetically an invitation to participate in the supervision of elections. It would be difficult for us to refuse such an invitation without good and sufficient reason.

5. It is the opinion of the Legal Division that the Final Declaration constitutes a formal statement of policy rather than an instrument, such as a treaty, intended to create binding legal obligations. The question of binding legal obligations deriving from the Final Declaration does not arise in any case so far as Canada is concerned, since we were not a party to it. The issue from our point of view is whether the agreed policy with respect to the supervision of elections is a full and sufficient basis for the Commission powers to proceed with this task without any further act of confirmation by the Geneva Conference Powers. It is our belief that it does not form a sufficient basis for this purpose, and this belief is strengthened by the fact that the invitation to the Commission powers to supervise the armistice did not make any reference to our responsibilities for supervising the elections.

6. It is our view therefore that the Commission powers should not assume responsibilities with respect to the supervision of elections without some further invitation or directive from the Geneva Conference powers defining our task in greater detail than the Final Declaration does. In such an important operation precise terms of reference for the elections commission will be most necessary, and in our view the Commission Powers should not draft their own terms of reference and proceed to act on them merely on the basis of the general statement of policy in the Final Declaration, and without further reference to the Geneva Conference Powers. It is vitally important that the Geneva Conference Powers, which outlined the general nature of the political settlement for Vietnam, should assume responsibility for the manner in which it is to be effected, and that this should not be left to the Commission Powers.

7. When we accepted the invitation to participate in the supervision of the armistice, we said in the press release of July 28 "A study of the information available has led us to the conclusion that the Commissions have a reasonable chance of operating effectively and of making a constructive contribution to the successful implementation of the cease-fire agreements, and hence to peace in Southeast Asia". Before accepting a firm commitment to participate in the supervision of elections, we would similarly wish to be reasonably sure that an elections commission could function effectively and constructively. We cannot satisfy ourselves in this regard unless the task of the elections commission is defined more precisely than it is in the Final Declaration.

8. It should be borne in mind that the Final Declaration makes no mention whatsoever of any part the Commission Powers might play in the consultations prior to the holding of elections between the competent representative authorities of the two zones of Vietnam. It is our opinion that any responsibilities which we might assume in this regard should be assumed only at the request of the governments of the two zones and with the consent of the Geneva Conference powers.

J. L[ÉGER]

P.S. The Indians will not agree with this interpretation nor the Poles if it does not suit them. The situation in fact is very complex.

585.

DEA/50052-A-40

*Le commissaire de la Commission internationale de surveillance
pour le Vietnam
au secrétaire d'État aux Affaires extérieures*
*Commissioner, International Supervisory Commission for Vietnam,
to Secretary of State for External Affairs*

TELEGRAM 120

Hanoi, March 12, 1955

SECRET. IMMEDIATE.

Reference: My telegram No. 117 of March 12.†

FREEDOM OF MOVEMENT

1. At today's meeting of Commission I introduced general question of Democratic Republic failure to implement satisfactorily Article 14(d) as evidenced by situation at Luu My and near Vinh where Indian signals courier, into whose jeep petitions had been thrown, had been rudely used by Democratic Republic personnel and some of the petitions taken from him. I also referred to French claims that from 70,000-90,000 persons wishing to go south still remain in Phat Diem and other Catholic areas.

2. Against this background I stressed time element facing Commission and formally proposed course of action summarized in paragraph 18 of my telegram under reference. I emphasized that in addition to immediate report to Geneva powers, Commission must make second report on April 1st, so that powers may know whether Commission has sufficient authority to ensure Article 14(d) implemented before May 18, thus giving powers six weeks to devise new solution if necessary. I underlined importance of special mobile teams remaining continuously in action in their respective areas until May 18 if necessary.

3. After my statement meeting adjourned for three hours. Commission then considered my proposals under following headings discussed seriatim.

(a) *Sending mobile teams.*

4. Polish Ambassador asserted that the reports of mobile teams do not bear out my contention that Democratic Republic is failing to implement article. He intimated that position in south was not clear and that if teams were sent out in the north they should also be sent out in the south. He also thought that the Commission should take note of the positions adopted by the two parties which seem to suggest that there may be some willingness to go beyond the time limit but he worded this portion of his remarks most ambiguously.

5. Indian Chairman supported me strongly in rejecting the suggestion that freedom of movement picture in the south is also unsatisfactory. With his assistance, the Pole was persuaded to agree that Freedoms Committee will study question urgently to determine exact number of teams required, and that teams will be sent out as soon as possible. At Indian suggestion it was also agreed to call a meeting with the high command i.e. General Giap to explain the action contemplated and the reasons for it. This is the first time such a procedure has been proposed.

(b) *Devising stronger means of ensuring implementation.*

6. It was agreed that the teams would stay in area until May 18 and Mr. Desai indicated support my proposal that team should report situation to Commission by April 1st and then remain in area to supervise actively execution of recommendations concerning freedom of movement. The question of what other measures may be taken by the Commission at this time will be further discussed on Monday.

(c) *Reporting to Geneva.*

7. Mr. Desai was of the opinion that it would not be fair to make a special report to Geneva on Article 14(d) alone. In any event he thinks the Geneva powers would be helpless to take any practical steps to improve freedom of movement. Accordingly he feels that no useful purpose would be served in approaching the powers before the Commission is prepared to place blame. I argued that the Commission has a duty to report to the powers any instance of failure to fulfill an obligation laid down in the agreement. The Chairman, however, believes it to be unnecessary to report on every sub-article in ad hoc manner and implied that at least until the new procedure had been put into effect the question of Democratic Republic failure to cooperate fully under Article 14(d) falls into this category. This aspect of the question will be considered again after meeting on Monday afternoon with Democratic Republic High Command.

8. While pleased with general support received from Indian and softness of Polish objections to my proposals, I am not yet prepared to throw my hat in the air. I am relieved, however, that an encouraging start has been made to face up to the full implication of freedom of movement. In putting the proposals forward I did not overlook possibility of incidents arising in these areas but consider that this is a risk which must be taken if Commission is to carry out its task. The suggestion that Democratic Republic High Command should be informed of their responsibilities in implementing recommendations and facilitating teams' mission should, if accepted by the Democratic Republic, materially reduce risk.

9. Any comment or objection you might wish to make on our proposals or procedures to date should be sent immediately as matters will develop speedily on Monday.

586.

DEA/50052-A-40

*Le commissaire de la Commission internationale de surveillance
pour le Vietnam
au secrétaire d'État aux Affaires extérieures*
*Commissioner, International Supervisory Commission for Vietnam,
to Secretary of State for External Affairs*

TELEGRAM 121

Hanoi, March 15, 1955

SECRET. IMPORTANT.

Reference: My telegram No. 120 of March 12.

FREEDOM OF MOVEMENT

1. Commission today came to the following conclusions concerning Canadian proposals. With this background the Commission will meet General Giap, probably tomorrow.

A. Sending mobile teams.

2. The previous decision was reaffirmed and the Freedoms Committee was instructed to make recommendations about the number of teams and the provinces in which they should investigate.

B. Stronger measures to ensure implementation.

3. Initially the teams will make a rapid survey of as large an area as possible in order to determine the situation with respect to freedom of movement. On the basis of the teams' reports, Commission will come to a conclusion by the end of this month about the implementation of its recommendations on freedom of movement. Consideration would then be given to whether it would be necessary for the teams to remain in the field and to be given new instructions on the basis of which they would effectively supervise the execution of the Commission's recommendations. This would be done by staying in particular places until they were satisfied that people who wished to go and live in the south were on the way to the demarcation line.

C. Reporting to Geneva.

4. The first point requiring a decision was whether the Commission was in a position to say whether or not the Democratic Republic of Vietnam had implemented the Commission's recommendations of February 2 on freedom of movement. Mr. Desai holds the view that it is not for the Commission to find a violation of an article of the agreement by one of the parties until the Commission has found performance unsatisfactory, has made recommendations, (Article 39) and has found that the recommendations have not been implemented (Article 43). The question, therefore, was whether the Democratic Republic of Vietnam had implemented the freedom of movement recommendations. I was obliged to admit that the Commission does not have at this time a chapter and verse case by which it can say that the recommendations have not been implemented. The findings at Luu My are not acceptable to the Chairman as proving that the recommendations have not been implemented by the APVN because the team commenced its investigation at the same time as the recommendations were issued and left Luu My just before the end of the two week period which was given to the two sides to put the recommendations into practice. With respect to increasing attempts by the populace in various parts of the country to throw petitions into passing jeeps of the Commission, these petitions have not been analyzed. Mr.

Desai stated clearly that as yet the Commission can only say that local officials have not implemented 14(d). On the basis of the reports of the teams which are about to go out, the Commission should then be in a position to say whether the APVN High Command have not implemented the recommendations or cannot effectively implement them before May 18.

5. My compromise proposal that the Commission should now report to the co-chairmen upon major questions which have to be settled by May 18 also did not commend itself to the Chairman. He took the view that the two interim reports already issued adequately reflected these continuing tasks of the Commission which require full implementation by May 18.¹⁰ He proposed, and the Commission agreed, that when the mobile teams are sent out a press release will be issued explaining why these teams are being sent and what action the Commission is taking by way of implementation of its recommendations.

6. A decision can then be taken when the survey is completed as to the action to be taken with reference to the Geneva powers. It is clearly Mr. Desai's views that the Commission must itself do all it can within the terms of the agreement and that the Geneva powers can be of little help. He mentioned the possibility that the commission may wish to act under article 41 (second paragraph) to formulate a recommendation to the two parties for an extension of the present time-limit for article 14(d), assuming unanimous agreement could be reached for such a recommendation. Finally, he does not exclude, although he will not [support] at this stage, possible action by the Geneva powers through diplomatic channels to assist in solving this problem.

7. In brief, our proposals of March 12 have not been accepted at this stage so far as a recommendation to the Geneva powers is concerned. But I think our efforts have produced a greater sense of urgency on part of Mr. Desai, and the Pole has come along rather half-heartedly in this issue as well as a practical plan which, if the Democratic Republic High Command accepts it, may do some good. We realize, of course, the danger is that after April 1 we may not be able to secure unanimity for recommendations under article 41 because the Poles may disagree. Nor am I satisfied as yet that a simple extension of the 300 day period for 14(d) would be of much use if Democratic Republic cooperation with respect to this provision is as inadequate in the new period as it has been in the past.

8. Colonel Tedlie of this (team?) recently returned from mission through Vinh area, reports that large number of petitions were pressed upon Commission team from people wishing to move, and that Commission vehicles are being used as 'post offices' for this purpose. Despite fact that action of kind we have proposed with reference to Geneva powers is not acceptable at this stage, I have no doubt that Democratic Republic are not carrying out February 1 recommendations with respect to 14(d).

9. We are considering further the implications of this possibility and what course of action we could take at such a late date to ensure that recommendations are implemented. We would appreciate your suggestions on this matter by telegram.

¹⁰ Pour les deux comptes rendus intérimaires, voir United Kingdom, Parliamentary Papers, Cmd. 9461, *First and Second Interim Reports of the International Commission for Supervision and Control in Vietnam*, London: Her Majesty's Stationery Office, 1955.

For the two interim reports, see United Kingdom, Parliamentary Papers, Cmd. 9461, *First and Second Interim Reports of the International Commission for Supervision and Control in Vietnam*, London: Her Majesty's Stationery Office, 1955.

587.

DEA/50052-A-40

*Le secrétaire d'État aux Affaires extérieures
au commissaire de la Commission internationale de surveillance
pour le Vietnam*

*Secretary of State for External Affairs
to Commissioner, International Supervisory Commission for Vietnam*

TELEGRAM 108

Ottawa, March 17, 1955

SECRET

Reference: Your telegrams Nos. 117† and 120 of March 12.

FREEDOM OF MOVEMENT

We have become increasingly concerned over the lack of evidence that the Vietminh were implementing the Commission's recommendations of February 1. We fully endorse your proposals for vigorous action on this subject and are pleased to note the degree of success you have had so far. Pressure for action on this subject should be kept up provided it does not threaten interference with completion of the regroupment of forces. We presume that the Vietminh will be sufficiently eager to take over Haiphong that strong pressure regarding freedom of movement is unlikely to affect the regroupment arrangements.

2. There is a question as to what action the Geneva Conference Powers could or would take on the freedom of movement question when the facts are formally brought to their attention by the Commission. You should endeavour to have the report (a) make clear the failure of the Vietminh to fulfil their obligations under (i) Article 14(d) and under (ii) the recommendations of the Commission on implementation and (b) make specific recommendations on how this situation might be rectified by extension of the 300-day period, adequate exit permit system, transportation assistance, etc. A report of this kind would facilitate the task of the western powers in pressing the Russians and Chinese to put pressure on the Vietminh to comply.

3. As regards the timing of the Commission's report we note from your telegram No. 121 that your efforts to have an immediate report made have not been successful but that the question will be reconsidered when the mobile teams have made their survey. You should continue to press for a special report to be made on this question as soon as possible because if it is delayed until after May 18 the Geneva Conference powers may take the position that insufficient warning had been given to enable them to take corrective action before the end of the 300-day period. As a last resort we think you should be able to make a case that a general report should be made by April 11 covering an additional two-month period.

4. It might be suggested that teams sent out in accordance with Freedom Committee's recommendations (Paragraph 5 of your telegram No. 120) should get from local authorities statistics of permits issued.

588.

DEA/50052-A-40

*Le commissaire de la Commission internationale de surveillance
pour le Vietnam
au secrétaire d'État aux Affaires extérieures*

*Commissioner, International Supervisory Commission for Vietnam,
to Secretary of State for External Affairs*

TELEGRAM 139

Hanoi, March 23, 1955

SECRET. IMMEDIATE.

Reference: Your telegram No. 108 of March 17.

FREEDOM OF MOVEMENT

1. Agreement was reached in the Commission March 10 for despatch of 3 mobile teams to survey freedom of movement facilities in (a) Red River Delta provinces Thai Binh, Nam Dinh and Ninh Binh, (b) Than Hoa (c) Nghe An and Ha Tinh.

2. Teams are leaving today. Meanwhile, detailed briefing has included special session with Commission.

3. Mr. Desai has told Commission that General Giap has offered full cooperation and assistance in the work of teams in connection with Article 14(d). Democratic Republic were prepared to make available the necessary high level liaison officers to accompany the 3 teams, and local authorities will be advised by the High Command to lend full assistance. General Giap mentioned that he hoped teams would take note of "other side" of the problem, i.e., that pressure had been put upon people to make them go south. To this Mr. Desai had replied that the Commission had already looked into this question and that its present task was to implement 14(d) and we had to get on with it.

4. Further developments must now depend upon the findings of the teams. Obviously it is difficult to say what effect the approach to the High Command will have on the position in the provinces. There would seem to be 2 main possibilities.

(a) It may be that the Democratic Republic seriously intend to appear accommodating with respect to 14(d) and will take action locally to avoid being charged under Article 43 with failure to implement recommendations of the Commission. If measure of cooperation is extended to the teams, and satisfactory local procedures can be organized to facilitate free movement during the period of the initial survey, and also in the subsequent period up to May 18, to avoid any clear finding of non-implementation of the Commission's recommendations, it will be difficult for the Commission not to conclude that an effort is being made by the Democratic Republic to assume its obligations, despite previous findings, and our general conviction that 14(d) is not being implemented. If teams on the spot do not find the kind of obstruction we have met in the past, it will be difficult for the Commission to make the kind of finding with respect to the Democratic Republic which it deserves in light of past behavior. Previous experience of such surveys has indicated that evidence upon which to base a clear finding is often extremely difficult to obtain.

(b) The second main possibility is that the teams (or perhaps merely a Canadian-Indian majority) will find that, despite the High Command's promise of assistance, the problem of freedom of movement exists in large dimensions, and that the facilities to cope with it at this late stage are lamentably inadequate because of Democratic Republic failure to implement recommendations of February 2.

5. In Commission discussion March 14, Mr. Desai said if on considering magnitude of problem that might exist after survey, it was found that implementation of 14(d) was not possible within the limited period of 6 weeks, Commission had authority under Article 41 to propose an amendment to agreement extending the present time limit for 14(d) and that proposed report after initial survey to Geneva powers could be made exhaustive so as to indicate entire situation. Thus, the chairman has left door open to 2 possible courses by Commission action after fortnight survey.

(a) If implementation not thought possible within 300 day time limit, Commission could go immediately to a next stage under Article 41, and recommend extension, or

(b) A report to Geneva powers under Article 43 of a refusal by High Command to implement Commission recommendation.

6. In examining the position we should take, the important thing is to recall the principle aim of this whole effort. It has been our assumption that the principal aim is a practical one, i.e. to see that as many people who wish to move south are permitted to do so, and that this practical aim takes precedence over other considerations. The programme on which we are now embarking is in fact a compromise between the ideas I first advanced last week, when, on basis of Luu My report I pressed unsuccessfully for a report to the Geneva powers that the High Command had failed to implement the Commission's recommendations, and approach of Mr. Desai who has sought to work with and through the High Command to achieve the practical purposes of 14(d). I think that our approach has given our Indian colleagues a greater sense of urgency in this matter, to which we attach importance and I would hope that so far as possible we will be able to continue to work with them.

7. After first week of April, Commission must take certain specific decisions and our own position must be as clear as possible. There appear to be 2 main courses.

(a) Assuming team reports indicate no significant improvement, Commission will have to bring in a strong finding that DR has not implemented recommendations on question of DR responsibility Commission is unlikely to reach unanimous agreement which has hitherto prevailed except on a statement much weaker than anything we might consider necessary in the circumstances. It is most doubtful that the Pole will support strong finding against DR. It is difficult to forecast Mr. Desai's reaction and the question arises therefore whether we consider this question is of sufficient importance, in the context of the whole agreement, and in light of the fact that the regroupment has not yet been completed, to press matters even to a vote if necessary for a strong condemnation, (a) if possible, the support of the Chairman, and (b) if necessary, by ourselves in a minority position. In this connection, there is no doubt that Mr. Desai attaches the greatest importance to the maintenance of unanimity and, although he may agree, that if the facts of the survey warrant it, he should press for a finding against the DR, he would probably oppose any recorded vote on the question. The finding against the DR would then be reported to the Geneva powers without a request for an extension, but with a request that Geneva powers take such action as they deem necessary to bring about implementation of Article 14(d) by May 18. We consider it possible that strong finding on condemnation could mean end of any practical cooperation that may be possible, even before May 18, and on freedom of movement, and that this might affect orderly transfer of Haiphong.

(b) The second course is based on premise that DR may cooperate to some extent, but that dimensions of problem require continued effort and vigilance until May 18 and possibly justify an extension of present 300-day period. In December, the French Liaison Mission submitted a formal request to the Commission, on behalf of French high command,

requesting that the 300-day period for 14(d) be extended "for the benefit of the population of Tonkin". This request was based upon view that population was not being permitted to use its right of option and that the Haiphong transfer would be jeopardized if transfers of material, which must be completed by the end of 300-day period, were hindered by large groups of people at the end of the period requesting transport to the south. Request was therefore put forward both on practical ground as well as on principle.

8. The Commission took no decision on this request at the time since it was decided to press forward with the recommendations of February 2 and to explore all possibilities of solving problems within the existing period. Our present view is that an extension of the 300-day period would only be justified under certain specific conditions:

(a) The team's report would have to show that a serious problem continues to exist and that an extension could reasonably be expected to have the practical consequence of making it possible for substantial groups of people to move;

(b) The French view of December 23 must have present support of French Government;

(c) We should be certain that any move for an extension has the support of the United Kingdom Government as the Geneva power with which we are most closely associated;

(d) Finally, it should be accompanied by DR assurances that they will continue to implement the provisions of Article 14(d) in the extended period, as they have recently undertaken to do.

In other words, I doubt that we should ourselves propose an extension without being entirely sure of our ground. However, if the Chairman should propose an extension, I think it would be extremely difficult for us not to support him, and if necessary to go on record to this effect.

9. I doubt that the DR, whose concurrence would be essential under Article 41, would in fact agree to an extension, since continuance of present procedure under 14(d) has created serious civil difficulties for them. There is further point that unless there is a complete change of heart on the part of the DR, which I doubt, (the present DR offer of cooperation extends only to fortnight survey) it is most unlikely that 14(d) would operate any more effectively in the extension period than it has in the past, and an extension period might result in further clashes and loss of life, such as occurred at Luu My and Ba Lang so long as Article 14(d) continues in force, the populations affected in the north face serious reprisals and persecutions which the Commission can do little to prevent. In other words, there is something to be said for not extending the 300-day period, despite the individual hardships which may be caused. I recognize, however, that this would be a policy difficult to defend in terms of western opinion.

10. These are the considerations involved. On balance, I consider that if there is any prospect of DR assistance, even at this late period, and a sizable problem can be shown to exist, we should pursue the practical course and press use of mobile teams to assist actively in facilitating movement till May 18, and support an extension providing the conditions outlined in paragraph 8 above can be met.

11. Your views, therefore, are urgently requested on the specific action we should take (a) with respect to our action on a finding against the DR, assuming that the reports of the present survey warrant it (b) in regard to either sponsoring or supporting a recommendation for extension. Your telegram makes it clear that you favour full report on situation to Geneva powers as soon as possible after survey completed and, in any event, we shall, of course, press for this and urge continued action by mobile teams up to May 18.

589.

DEA/50052-F-40

*Le secrétaire d'État aux Affaires extérieures
au haut-commissaire au Royaume-Uni*

*Secretary of State for External Affairs
to High Commissioner in United Kingdom*

TELEGRAM 452

Ottawa, March 18, 1955

SECRET

Reference: Your telegram No. 326 of March 14.†

ELECTIONS IN VIETNAM

Our views on elections in Vietnam have not been conveyed to the Indians in the same form as you passed them to the Foreign Office with your letter of January 26.† Most of the same points have, however, been made to them at the meeting on February 5 during the Prime Ministers' conference,¹¹ in the short memorandum passed to Pillai after that meeting,¹² and by Mr. Reid in his interview with Dutt reported in New Delhi telegram No. 121 of February 25.¹³

2. You may inform the Foreign Office that we could make no objection to their conveying to the Indians the substance of Tomlinson's letter of February 28, though they may wish to reconsider the matter in view of the points set out below.

3. You should in any case ask the Foreign Office not (repeat not) to pass to the Indians the actual text of their letter of February 28. We were most disturbed to note from paragraphs two and three of that letter that the Foreign Office apparently has the impression that our misgivings and reservations with respect to a free hand and a broad mandate for the Commission powers in the presentations for the elections arise from our reluctance to engage ourselves any further than necessary in Indochina. You should make very clear to the Foreign Office that this is not the point at all, and that our attitude is based on the following considerations.

4. Our concern in the first place relates to the object of the inter-zonal consultations and the manner in which they will be conducted. From our reading of the last sentence of paragraph 7 of the Final Declaration we understand that representatives of the two zones are to meet in a bilateral conference in which each side will have full power of veto: the object is voluntary agreement on procedures for conducting the elections. The right of either side to reserve its position on any point might be seriously prejudiced if the present international commission or an elections commission were in a position to make recommendations to the parties as to how disputes are to be resolved. If the present international commission were to perform in relation to the consultations in the same manner that it now conducts its business in relation to the implementation of the cease fire agreements the results could be extremely serious, particularly for South Vietnam. Even if the parties were not legally bound to accept the recommendations of the Commission, a refusal to accept such recommendations would put the party concerned in the wrong morally. South Vietnam will certainly insist on elaborate safeguards to ensure that elections are really free, and

¹¹ Voir/See Document 579.

¹² Voir/See Document 580.

¹³ Voir/See Document 583.

its refusal to accept "compromise" solutions advanced by an international commission will put it at a very serious disadvantage in relation to Asian public opinion. The pattern of Indian performance in the present Commission suggests that in relation to disputes on electoral procedures they would be inclined to find a middle way which might frequently involve "compromise" rulings, thus whittling down the safeguards for free elections which will certainly be required in any agreement with a Communist state on this subject. Similarly an elections commission set up without restricted terms of reference would probably tend to adopt the conventions of the present Commission, with results similar to those mentioned above. For these reasons we believe it is vitally important that the United Kingdom as a "co-chairman" power should not suggest or agree to any arrangement which would have the ultimate result of putting the South Vietnam Government at a very serious disadvantage in the consultations.

5. We realize that the United Kingdom may not wish at this time to reconvene a little Geneva Conference or to become involved in prolonged and difficult diplomatic exchanges with the USSR and other Geneva Conference powers on terms of reference for an electoral commission in the consultations stage. We believe therefore that urgent consideration should be given to the devising of a simple formula which will sufficiently restrict the role of the commission powers to meet the difficulties mentioned in the previous and following paragraphs.

6. There is another reason for our wish to see the role of the Commission powers carefully restricted in the early stages of the political settlement. We do not think that a Commission made up of Indian, Polish and Canadian representatives with indeterminate powers should be given the opportunity to make the important decisions in the working out of a political settlement. The course of the inter-zonal consultations on elections will undoubtedly have important implications for the future not only in Vietnam but elsewhere in Southeast Asia. Accordingly we believe that the Geneva Conference Powers, which have a greater stake than the Commission powers in stable conditions in Southeast Asia, should take responsibility for each stage of the political settlement. The United Kingdom and France, as Geneva Conference powers and as members of SEATO, are in a position to exert an important influence on the working out of the political settlement and in our view they should not lightly surrender their powers in this regard to a Commission whose decisions and influence we are not likely to be able to control on their behalf. Although we have a great deal of confidence in the Indians' judgment, in view of their apparent attitude towards a political settlement in Vietnam we are not sure that in this context the Indian approach is always going to work towards conclusions that are in the best interests of free Asia.

7. We are now preparing a paper on the initial stages of the political settlement which we hope to be able to forward to you shortly for transmission to the United Kingdom authorities. At that time we will have some further comments to make on Tomlinson's letter.

590.

DEA/50052-F-40

*Note du sous-secrétaire d'État aux Affaires extérieures
pour le secrétaire d'État aux Affaires extérieures*

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

CONFIDENTIAL

[Ottawa], March 30, 1955

POLITICAL SETTLEMENT IN VIETNAM — PART TO BE PLAYED BY INDIA,
POLAND AND CANADA

You may wish to examine the attached departmental paper† (with synopsis) on this subject. This paper has been sent to London for transmission to the Foreign Office as a basis for discussion. It has been transmitted as an informal working paper indicating the stage which has been reached in departmental thinking on this subject.

2. The paper was written with a view to the possibility of making copies available to the Indians as well as to the United Kingdom. For this reason the general theme — in favour of a restricted and informal role for the Commission powers during the consultations on elections in Vietnam — is worked out on the merits of the case without reference to the policies or attitudes of the three Commission powers themselves. The United Kingdom has been advised independently of our concern lest the establishment of the elections commission envisaged in the Final Declaration of the Geneva Conference to assist the parties in their consultations might result in some attempt by India, with Polish support, to force the pace of the inter-zonal consultations and to make firm recommendations as to the details of an agreement on electoral procedures and a political settlement.

3. The paper makes a case against the employment of either the present International Supervisory Commission or the prospective elections commission to assist in the inter-zonal consultations. Although it does not come to any firm conclusions, it suggests some informal methods by which India, Poland and Canada might make available to the parties such good offices and technical advice as they may request in the course of their consultations.

4. There would, I believe, be advantage in pressing for the adoption of the proposals put forward in the concluding section of the paper for some informal arrangement which would enable the Commission powers to assist in the consultations. The appointment of individual conciliators by each of the three governments who might if they wished form themselves into a good offices committee would enable them to fulfil the moral obligation on these three governments to do what they can to assist in the inter-zonal consultations. At the same time under this arrangement we would not be irrevocably committed to membership on an International Elections Commission nor to the supervision of elections which might not meet our standards of fairness. If, as seems likely, the inter-zonal consultations on elections continue interminably or break down, it would be much easier for us to drop out of some informal good offices committee than to withdraw a representative from a formally established elections commission.

5. We have asked the United Kingdom to let us know whether they think it would be helpful if we were to pass this paper to the Indian authorities in its present form. We would be grateful for your own opinion on this point.¹⁴

[PIÈCE JOINTE/ENCLOSURE]

Document de travail
Working Paper

CONFIDENTIAL

POLITICAL SETTLEMENT IN VIETNAM
SUMMARY

1. *Purpose*: To examine the steps which must be taken preparatory to the holding of elections in Vietnam and the possible role to be played during this preliminary stage by India, Poland and Canada. (Paragraph 1).

2. *The Cease-Fire Agreement for Vietnam* is primarily a military armistice agreement. There is only one non-military provision which is likely to require continuing action and is hence likely to have a bearing on the political phase of the settlement — i.e. Article 14(c) concerning democratic liberties. (Paragraphs 2-4).

3. *The responsibilities of the present International Supervisory Commission* are confined to the supervision of the implementation of the cease fire agreement, and do not include responsibility with respect to the preparations for elections. (Paragraph 5).

4. *The Final Declaration* of the Geneva Conference lays down the general principles for a political settlement in Vietnam. In the working out of the political settlement account must be taken of all the provisions of Paragraph 7 concerning conditions for a political settlement — the requirement for elections in 1956 must be read in context. (Paragraphs 6-15).

5. The provision in the Final Declaration for the *holding of consultations* between the two zones of Vietnam is the first one that must be implemented. Account must be taken of the fact that the State of Vietnam did not declare its acceptance of the Final Declaration at the Geneva Conference and may not consider itself bound by its terms. (Paragraphs 16-18).

6. *The object of the consultations* is the reaching of a voluntary agreement between the two parties concerning the prior conditions for elections, the holding of the elections themselves under international supervision, and the nature and functions of the body to be elected. (Paragraphs 19-23).

7. The question as to *who should convene the consultations* and what the convening authority (if a third party) should do will require some consideration. (Paragraphs 24-33).

8. In view of its organization and functions the present *International Supervisory Commission* is not really suitable for the good offices task that may be required in connection with the inter-zonal consultations on elections. (Paragraphs 34-44).

¹⁴ Note marginale /Marginal note:

I would be glad to leave it to your judgement as I have not had time to study the document. L.B. P[earson]

9. The *prospective international commission* for the supervision of elections would probably be similarly unsuitable; furthermore employment of this body for a good offices task might prejudice the authority it will require for the proper performance of its main job. (Paragraphs 45-48).

10. India, Poland and Canada might assist the parties in their consultations by appointing conciliators to provide such good offices and technical advice as the parties might request. The conciliators might either work independently or as an informal good offices committee. (Paragraphs 49-58).

591.

DEA/50052-A-40

*Le secrétaire d'État aux Affaires extérieures
au commissaire de la Commission internationale de surveillance
pour le Vietnam*

*Secretary of State for External Affairs
to Commissioner, International Supervisory Commission for Vietnam*

TELEGRAM 139

Ottawa, April 7, 1955

SECRET. IMMEDIATE.

Reference: Your telegram No. 139 of March 23.

Repeat London No. 587.

FREEDOM OF MOVEMENT

In approaching this problem I believe we should keep in mind that the primary objective is to enable as many people as possible who wish to do so to go from one zone to the other, and that the secondary objectives are (a) to ensure that the public record of the commission — and of Canada — shows that everything possible has been done to achieve the primary objective and (b) to ensure that the Commission's handling of this question will not leave the Viet Minh with an apparently clean bill of health and will not involve some compromise on principles, thus creating an unfortunate precedent for the political phase of the settlement.

2. It appears that the most likely method of achieving these objectives will be to maintain the strong and critical attitude we have previously adopted on this question, on the theory that fear of public criticism is the best stick with which to goad the Viet Minh into action, and that we will also be able to draw the Indians into agreeing to a fairly strong line.

3. If the reports of the teams now making the survey produce plenty of clear and incontrovertible evidence that the Viet Minh are not carrying out the Commission's recommendations and that there are many people who still wish to go south, and have been hindered from doing so, you might inform the Commission you consider the matter of such a serious nature that you will refer it to your Government and seek its views as to whether or not a violation should be called and a reference made to the Geneva Powers. This you might do by DWS. We do not, however, regard this as a likely eventuality, and the following instructions are based on the assumption that the team reports will not produce enough dependable evidence that the Viet Minh have not been carrying out the recommendations of the Commission or that there are large numbers of people who still wish to go south, but that the lack of evidence will not remove our belief that the Viet Minh have evaded their

responsibilities under 14(d) and that many people do not apply for permits to move owing to fear of reprisals.

4. If the teams' evidence is of the type suggested above, you should take the attitude that while there may not now be sufficient solid evidence to call a violation of 14(d) firm measures are nevertheless required. You could agree to any proposals which the Indians may put forward to ensure that the Viet Minh continue to take all necessary action between now and May 18 to carry out 14(d), but express scepticism about the adequacy of these measures to fulfil the requirements of the agreement. You should also insist that a telegraphic report on the situation be sent to the Geneva Conference co-chairmen and that this report include a request that the members of the Geneva Conference, in accordance with paragraph 13 of the Final Declaration, consult one another in order to study such measures as may prove necessary to ensure that the terms of Article 14(d) are properly respected, in view of the short time remaining for the implementation of this article and the unsatisfactory record on its implementation up to the present time. If the Indians and Poles will not agree to inserting this request in the report to the Geneva co-chairmen, you should have it included as a minority report.

5. As the foregoing should represent the minimum we are prepared to accept, it will probably be necessary for you to adopt a more extreme position for purposes of your discussions with Desai or in the Commission. The two cards which you can reluctantly agree not to play at this time are (a) the calling of a violation and (b) the recommendation now of an extension of the period for freedom of movement under 14(d). In surrendering these two points in order to achieve the position outlined in the previous paragraph you should do everything possible to get Desai to agree that if it is clear towards the end of the 300-day period that a problem still exists and that the Viet Minh have not made full amends for their poor performance in the past on 14(d), he will go along with a recommendation for an extension of the period for freedom of movement. We realize that he may not be prepared to commit himself now, but you should in any case make it clear that if we are not satisfied towards the close of the 300-day period that the problem has been substantially cleared up, we will certainly propose an extension of the period or support a French request for an extension.

6. We realize that a request to the Geneva Powers to study the measures necessary to ensure performance on this part of the agreement may not produce any useful practical results. We do not, however, wish a situation to come about in which responsibility for not ensuring full performance on this article will rest wholly on the Commission. This responsibility should in our view be shared with the Geneva Conference Powers, particularly as the requirement for freedom of movement is specifically mentioned in paragraph 8 of the Final Declaration.

7. The United Kingdom Foreign Office has suggested that the Commission might invite the Viet Minh to confirm that their declaration of February 4 (calling for free exchanges in all spheres between the two zones of Vietnam) meant that they were willing to continue the application of Article 14(d) after May 18. Such a proposal or a variant of it, involving the direct negotiation of some voluntary arrangement between the parties to finish off the freedom of movement question, may be advanced by the Indians or the Poles. Such a proposal would require careful scrutiny particularly to ensure that any such arrangement would continue to be under the Commission's supervision notwithstanding the expiration of the 300 day period, since any voluntary undertaking by the Viet Minh to complete its obligations under 14(d) by some arrangement outside the Agreement would enable them to argue that their performance was no longer subject to Commission supervision.

8. A United Kingdom Foreign Office view (in favour of an extension and suggesting the approach to the Viet Minh mentioned in the previous paragraph) will be conveyed to you separately. Stephenson, the United Kingdom Ambassador in Saigon, has recommended against the proposed approach to the Viet Minh.

9. We do not intend asking the French whether or when they may renew their request for an extension of the period for freedom of movement.

10. You may use your discretion as to whether you should first state your case privately to Desai or introduce it directly in the full Commission, but Mr. Lett believes that it might be advisable to approach Desai privately in the first instance.

11. This telegram was drafted in consultation with Mr. Lett and has his concurrence.

[L.B.] PEARSON

592.

DEA/50052-A-40

*Le commissaire de la Commission internationale de surveillance
pour le Vietnam
au secrétaire d'État aux Affaires extérieures*

*Commissioner, International Supervisory Commission for Vietnam,
to Secretary of State for External Affairs*

TELEGRAM 168

Hanoi, April 11, 1955

SECRET. IMMEDIATE.

Reference: Your telegrams No. 139 and No. 141† of April 7 (received April 10).

1. Your instructions both timely and helpful. As Mr. Lett suggested (para 10 of your No. 139) I saw Mr. Desai this morning and had a useful general discussion with him. I began by emphasizing the serious view we took of the problem of freedom of movement. While our primary aim was to see that as many people as possible who wished to take advantage of Article 14(d) are permitted and helped to do so, it was important that both Canada and India do everything possible to ensure that this provision is fully implemented and that the Geneva powers are left in no doubt that the situation at the present time is unsatisfactory so that they can consider appropriate action.

2. From our discussion the following points re Indian position seem reasonably clear

(a) Mr. Desai is not, repeat not, prepared at this time to find a violation against the DR High Command with respect to the implementation of 14(d). His reasons are twofold. First: He stated that legally on the basis of the language of 14(d) which refers to "local authorities" it would be difficult, if not impossible, to pin responsibility on the High Command in view of their posture of cooperation and offer of facilities. It would always be possible for the High Command to place the blame on the local authorities and even to take action against them in individual cases. But it would be very difficult to make conclusive finding, e.g. that under Article 43, they had refused to put into effect a recommendation of the Commission. Second: If we insisted upon finding a violation the Poles were sure to bring up question of reciprocity with respect to 14(c) where the record of French and the South Vietnamese Government, in cases like Poulo Condore and Chi Hoa has been extremely unsatisfactory. On the basis of the reports received at this time while there was a good deal of information to indicate that the freedom of movement situation was bad, it would be better to bring the serious facts of the situation out without finding a violation, particularly if we were anxious to obtain as much DR cooperation as possible in the

remaining period. I told Mr. Desai that while all the reports were not yet available the facts indicate that the DR are not carrying out Commission's recommendations and are not implementing 14(d) and I reserved the right to bring this out clearly in the Commission. We can assume, however, that there will be no support from Mr. Desai on the specific finding of a violation against the DR.

3.(b) On question of extension I spoke to him on the lines of your paragraph 5 indicating that our teams have only been able to scratch the surface and that problem is substantial one. Even with good will on the part of the DR problem could not be resolved within the 300 day period and Commission may have to consider recommending extension. I think his views were realistic on this. He emphasized that the prime mover in this matter should be the French authorities since continuance of freedom of movement after May 18 was a gilt edged sword. While under an extended period and with Commission supervision more people would be able to move. The facilities of 14(d) could be exploited by the Vietminh to infiltrate large numbers of their agents into the south. He hoped that we would not on our own initiative and without prior consultation with the French put forward a proposal for extension at this time. He also mentioned the point brought out in paragraph 7 of your telegram No. 139 that the DR may take the initiative in proposing a theoretical unlimited extension on the line of their declaration of February 4.¹⁵ On this point I stressed the need for examining any such proposal with great care since an unsupervised extension on this general basis carried with it no guarantee whatever of adequate and satisfactory implementation. He agreed that any proposed extension should be under continued supervision of the Commission. Indian view re extension is that they would be prepared to support an extension if it should be proposed by either or both the parties and Mr. Desai agreed that this would be their position if such proposal is made prior to May 18. If only, we ourselves advanced such a proposal however, he would have to reserve his position at this time principally on the ground that there were dangers of the kind he had mentioned previously. His own estimate was that while the French would be happy to see such a recommendation put forward by the Commission they would be happier still if unanimity could not be reached in the Commission or if Commission recommendation were turned down by the other side. Although he did not refer to it, Mr. Lett, I recall had a discussion with Mr. Desai before leaving Saigon at which time the latter emphasized the importance of not denuding the north of all its liberal and resistant elements.

4.(c) On immediate Commission action I stressed importance of present freedoms committee oral interviews with the teams. Awaiting preparation of written final reports had not been foreseen in Commission discussions in view of urgent time schedule and would delay report to Geneva powers. It was therefore, all the more important that oral reports from returning teams should elicit facts of the situation as fully as possible to enable the Commission to make its general appreciation in subsequent reports to the Geneva powers as proposed in Mr. Lett's statement of March 12. Mr. Desai agreed. He suggested however that it would be tactically wise in taking up the results of the teams reports in the Commission to consider the problem in 2 stages. First: To review and assess factually freedom of movement on basis of the teams reports and freedoms committee study and second: To decide at second stage view concerning High Command responsibility and terms report to Geneva powers. Otherwise we would be tipping our hand to the Poles.

¹⁵ Pour la déclaration, voir Allan W. Cameron, *Viet-Nam Crisis: A Documentary History, Volume I, 1940-1956*, Ithaca, New York: Cornell University Press, 1971, pp. 358-359.

For the declaration, see Allan W. Cameron, *Viet-Nam Crisis: A Documentary History, Volume I, 1940-1956*, Ithaca, New York: Cornell University Press, 1971, pp. 358-359.

5.(d) On report to Geneva powers Mr. Desai said he was prepared to go a long way (short of charges of violation) to bring out unsatisfactory situation adduced from current surveys and stress responsibility of DR. i.e. he seems prepared to make a critical report to the Geneva powers. It is impossible of course to say yet whether this report which he intends to draft himself will in fact be strong enough for our purposes, but I have no reason to suspect on the basis of discussion that it will not. Mr. Desai was at first very unwilling to send a long telegraphic report to co-chairmen on the ground of the difficulty of transmission and reasonable speed of bag service. I reminded him of Mr. Lett's (and our own) understanding (para 1 your No. 141†). I can find no definitive record of Mr. Desai's agreement that ample report would be made by telegram. His first suggestion which I resisted was that a warning telegram only should be sent. He then agreed that a telegram would be sent possibly as summary of fuller report but anticipates a difficult drafting exercise, particularly if 2 reports are involved. We may have to continue to press on this score in the Commission. Mr. Lett will be aware that we had been obliged to agree at an earlier stage (March 14) that report to co-chairmen would include not only progress on freedom of movement to which we attached importance but also Haiphong transfer and other major points including possibly 14(c) to which the Poles will want to make substantial reference.

6.(e) Finally he was not easy to pin down on a reference to paragraph 13 of the Geneva declaration on which I said we would insist. Discussion re final declaration might raise difficulties, e.g. elections, further though we might wish to refer to their freedom of movement portion of para 8 of declaration, Poles would no doubt wish to apply the reference in the same paragraph to Article 14(c). I emphasized that 14(d) was a special problem because of the time limit involved and real evidence available that 14(c) applied both in north and south and was not a simple counter weight to 14(d) and that attention Geneva co-chairmen must be drawn to their responsibilities so that they could take appropriate measures. As you know he does not consider that any measures are in fact open to the Geneva powers but he would only go so far as to say while he might agree to a reference under paragraph 13 on 14(d) it might also have to apply to other points which the Commission considered of importance and which might be included in report to co-chairmen.

7.(f) So far as this goes, it is I think not too unsatisfactory. I concluded by telling Mr. Desai that, while reserving our right to find a violation and to raise question of extension at this stage if facts of a survey warrant it, if report of the Geneva powers proposed did not sufficiently reflect the true situation as we see it, it would be necessary for us to submit a minority opinion. Because of the tradition of unanimity in which the Commission has operated he was visibly unhappy about this but he cannot expect us to do otherwise. As matters stand at the present moment and although it is always possible that Mr. Desai may change his tune he seems to be prepared to go a good distance towards action along the basis of your first preference in paragraph 2 of your telegram 141.¹⁶

8. Please note delay in receipt telegrams.

¹⁶ La « first preference » du ministère était un « [c]ritical report with request that Geneva Powers study the question in accordance with Final Declaration, paragraph 13. » Voir Ottawa à Hanoi, télégramme N° 141 du 7 avril, 1955, MAE/50052-A-40.

The Department's "first preference" was for a "[c]ritical report with request that Geneva Powers study the question in accordance with Final Declaration, paragraph 13." See Ottawa to Hanoi, Telegram No. 141, April 7, 1955, DEA/50052-A-40.

593.

DEA/50052-40

*Le sous-secrétaire d'État aux Affaires extérieures
au commissaire de la Commission internationale de surveillance
pour le Vietnam*

*Under-Secretary of State for External Affairs
to Commissioner, International Supervisory Commission for Vietnam*

LETTER Y-184

Ottawa, May 11, 1955

SECRET

NATO COUNCIL MEETING — ITEM ON INDOCHINA

Attached for your information are some notes concerning the International Commission in Indochina which were prepared for the Minister as a basis for a statement which he was planning to make during the Ministerial meeting of the North Atlantic Council in Paris this week.¹⁷

A.R. MENZIES
for Under-Secretary of State
for External Affairs

[PIÈCE JOINTE/ENCLOSURE]

Note

SECRET

ITEM II (D) II: THE FAR EAST — INDOCHINA

Members of the Council may be interested in some comments on the working of the cease-fire settlement in Indochina as seen from the point of view of a government which has been participating in the supervision of the truce. I do not intend to make any comments on the political situation in the countries of Indochina, on which the representative of France is certainly much more qualified to speak; nor do I wish to say anything about the balance of power situation in Southeast Asia, or the significance of the Indochinese armistice in this context. On these matters our colleagues from the United States and the United Kingdom can speak with much more authority. In view of our membership on the International Supervisory Commissions, however, a Canadian comment on the working of the armistice agreements may be of interest.

2. I should like first to make a few general observations which I think should be borne in mind in making an assessment of the work of the Commissions. In the first place the cease-fire agreements, taken together, comprise a general *military* armistice settlement. The agreements do, of course, contain a number of non-military clauses, and their existence has had a very profound effect on the political life of Vietnam, Laos and Cambodia. The cardinal fact is, however, that where there was a war there is no longer a war. Furthermore there has not at any time since the agreements were signed been any serious danger that fighting on a large scale might break out again. This is not to say that the cease-fire

¹⁷ Pour un compte rendu sur la réunion des ministres de l'OTAN, voir le document 187.
For a report on the NATO ministerial meeting, see Document 187.

settlement did not contain the seeds of future troubles, or that the threat of hostilities has been permanently removed. There have been incidents between the forces of the Laotian Government and those of the Pathet Lao, and the possibility that these might recur has been the cause of concern. I believe, however, that in considering some of the more disturbing aspects of the situation in Indochina, we should not lose sight of the fact that broadly speaking the cease-fire which was negotiated last July has been maintained.

3. My second observation relates to the system of international supervision which has been established in accordance with the terms of the cease-fire agreements. By and large this system has proved useful and has, I think, been worthwhile. Its value should be neither overrated nor underrated. I do not believe that the International Commissions have been able to persuade the Communists to do many more things than they were prepared to do anyway, or to prevent them from doing things which they were determined to do. On the other hand the Commissions have by their presence and by the existence and activities of their inspection teams probably deterred the Communists from violating the terms of the agreement in more ways than they actually have done. The system of international inspection through the fixed and mobile inspection teams is a long way from being foolproof, but on the other hand it is not a farce. Finally the Commissions have been able to do a most effective job of mediation and conciliation in cases where the parties have been unable to reach agreement on detailed procedures as to how the terms of the cease-fire agreements are to be put into effect.

4. The internal workability of the tripartite Commissions has been somewhat better than we expected. The fact that the Commissions meet privately and that representatives of the three governments concerned do not brief the press individually and separately have meant that the Commissions have not become propaganda forums, and that they have been workable negotiating bodies. Formal voting in the commissions is infrequent, which is in some ways regrettable as there has on occasion been a tendency to prolong discussions (and hence defer action) in the hope of reaching agreed solutions. Initially and on minor matters the Poles made an obvious effort to be co-operative and reasonable. As the problems before the Commission have become more substantial the Poles have tended to adopt more rigid positions and to stick to a pretty strict party line. It is obvious that at every level — in the Commissions and on the inspection teams — the Poles are in collusion with the local Communists.

5. I should like to pay particular tribute to the manner in which the Indians have discharged their very difficult task in the three Commissions. They have tried to play the role of the real neutral and have succeeded to a considerable extent. We have not by any means always agreed with the line they have taken on this or that issue, and have felt on occasions that Indian impartiality has had a mathematical quality to it. However, in Vietnam and Cambodia particularly the Indian Chairmen have made most commendable efforts to ensure that the Commissions' job of supervision is really effective. In Vietnam the fact that the chairmanship of the Commission is in Indian hands has, I think, had a great deal to do with the extent of the co-operation which the Commission has been able to get from the Democratic Republic.

6. Having made these general observations I should like to outline briefly the state of the Commissions' work in the three countries. In Vietnam the regroupment of forces on either side of the military demarcation line is supposed to be completed by May 18, and there is every indication that it will be. The withdrawal and transfer of forces has been carried out without serious incident. There have been difficulties particularly in connection with the removal of stores and equipment from the Haiphong perimeter in North Vietnam, and in working out the detailed procedures for this the International Commission has had a very

useful contribution to make. With the final withdrawal of the regular forces of the French Union from North Vietnam and of the Democratic Republic from South Vietnam the chances of any major clash between them will be substantially reduced.

7. The system of international supervision is probably at its weakest in relation to those provisions of the cease-fire agreement banning the introduction into either zone of Vietnam of fresh troops and war materials, except on a limited replacement basis. In accordance with the provisions of the agreement the International Commission placed a number of fixed teams at points of entry designated in the agreement. It took a very considerable time to get these teams installed, and even after that their operations have been fairly effectively limited by the local authorities. As a result of a request by the Commission, and after prolonged negotiations with the Democratic Republic, certain adjustments were made in the placing of the inspection teams in North Vietnam to permit inspection of certain routes of entry into North Vietnam from China which had not been possible under the original placement of inspection teams envisaged in the agreement. While supervision of the entry of goods and personnel into Vietnam can be carried on to a limited degree on the main routes of entry, complete and constant surveillance of the whole border by the Commission's teams is quite beyond their capacity. There is very little that can be done to prevent gun-running across the border over jungle trails, or the import of war materials through airports which are outside the normal zone of operations of the fixed inspection teams. In respect of the import of arms, therefore, the system of international inspection can do little more than provide some deterrent to the import of heavy military equipment.

8. The aspect of the cease-fire agreement in Vietnam which has caused us most concern has been the non-military clauses providing for democratic freedoms and requiring the authorities in each zone to permit and help those persons wishing to do so to move from one zone to another up until the completion of the military regroupment. From the beginning there has been evidence that the Democratic Republic régime in the north have been evading their obligations particularly with respect to freedom of movement for civilians. In spite of the limitations of the inspection system, the Commission's teams have been able to establish this fact on more than one occasion. The Commission has made repeated efforts to persuade the Democratic Republic to honour its obligations with respect to freedom of movement, and while the Commission has never met with outright refusal there has been no evidence that the Democratic Republic has adequately complied with the Commission's recommendations. There has, of course, been a great deal of evidence — most of it, unfortunately, hearsay evidence only which can rarely be substantiated by inspection team investigations — that the Viet Minh authorities have been using many devices to prevent people who wish to do so from going to the south. Most of the several hundred thousand refugees who have been able to get out through the Haiphong perimeter and thence by ship to the south have done so without the assistance and frequently in defiance of the North Vietnam authorities. With the final transfer of the Haiphong perimeter to the Democratic Republic on May 18 the main escape route for the refugees will be closed; furthermore, the provision in the cease-fire agreement for freedom of movement for civilians will lapse on that date unless arrangements are made to extend it.

9. The Canadian Government has taken a very serious view of this situation. We realize that the provision for freedom of movement for refugees is an unusual one in what is mainly a military armistice agreement, and that satisfactory performance on this clause was perhaps never really anticipated by those who had it written into the agreement. Nevertheless we believe that the poor performance by the Democratic Republic on this provision is a very discouraging augury for the working out of the sort of political settlement that is envisaged in the Final Declaration of the Geneva Conference, — a settlement

which, in the words of the declaration, "shall permit the Vietnamese people to enjoy the fundamental freedoms, guaranteed by democratic institutions established as a result of free general elections by secret ballot".

10. After the completion of the regroupment of forces the stage will be set for the first phase of the political settlement for Vietnam. According to the Final Declaration of the Geneva Conference consultations between the competent representative authorities of the two zones of Vietnam are to begin in July of this year on the holding of general elections in Vietnam in July 1956 in accordance with certain conditions. We hope that the parties concerned will find it possible to adhere to the general pattern for a political settlement outlined in the Final Declaration. For our part we are prepared to consider providing on an informal basis in co-operation with India and Poland such assistance by way of good offices as the parties to the consultations scheduled to begin in July may request. At a later stage, when agreement between the parties concerning the holding of elections has been reached or is in sight, we will be prepared to consider accepting membership on the international commission which, according to the Final Declaration of the Geneva Conference, is to supervise the elections themselves.

11. At the present time, the situation in the little Kingdom of Laos is very much up in the air. It is now nearly ten months from the date of the Cease-Fire Agreement, and yet the Royal Government has not yet been able to re-establish itself in the two north-eastern provinces, Phong Saly and Sam Neua. Unfortunately for Canada as one of the Commission Powers and for the Government of Laos, the terms of the Cease-Fire Agreement for Laos are very obscure and most difficult to interpret in some respects. They state, for example, that the indigenous fighting units of the Pathet Lao movement shall move into these two northern provinces and shall be free to move in a corridor between them pending a political settlement. I emphasize the words "pending a political settlement", because for several months representatives of the Royal Government and of the Pathet Lao have been meeting in an attempt to arrive at such a settlement and the results of these discussions have been almost negligible. It is difficult to know just what kind of a settlement would be acceptable to the Pathet Lao. It is known that the Viet Minh have exercised considerable influence over the leaders of this movement and that the P.L. representatives at these talks have in the past made it clear that they were not prepared to release their military hold on Phong Saly and Sam Neua, even though their leader some months ago stated that the Pathet Lao recognized the overall sovereignty of the Royal Government.

12. Up until a few months ago, the Canadian representative on the International Commission hoped that the bilateral talks between the two sides would result in some acceptable agreement which in turn would enable the Royal Government to re-establish itself in the northern provinces. Subsequently, developments have shown that either through deliberate delaying tactics, influenced by the Viet Minh, or for other more fundamental reasons, the two sides have not been able to reach any agreement. Meanwhile, there are Government troops in a few posts, but the rest of the two provinces are occupied by forces of the Pathet Lao and are controlled by them. This, naturally, has been a matter of great concern to the Royal Government and, indeed, to many of us here. However, as a member of the International Commission, Canada is in a somewhat difficult position. There are many things that we would have liked to have done which we could not get the Commission to do. Even on matters where a majority vote is all that is required, we have to have the support of the Indian Chairman and you will appreciate the fact that it was in our interests to try to carry our Indian colleagues with us as much as possible. We believed that it was better to get some things done than to have a record full of Canadian initiative but completely lacking in results. Further, we envisaged our role on this Commission, as indeed on all three Com-

missions, principally as one where we should exercise judicial impartiality in so far as possible.

13. Our Bible has been the Cease-Fire Agreement. This we understand was drafted hastily and under conflicting pressures. Certainly there is no clear cut provision about the way in which the Royal Government is supposed to re-establish itself in the northern provinces, and to integrate the Pathet Lao into the national community. The Agreement simply leaves the fighting forces of the P/L up north, "pending a political settlement"; it does not say what type of political settlement was envisaged or how this should be obtained. It does not say that after the withdrawal period which ended last November, the forces of the Pathet Lao should be confined to certain parts of the two provinces; it merely says that they shall move into these provinces. The Cease-Fire Agreement does not, of course, state that the Pathet Lao forces are empowered to administer the two northern provinces or to exercise political control over them or to enjoy a degree of local autonomy in them. On the other hand, the Agreement does not call upon them to demobilise. It merely asks them to respect the territory under the military control of the National Laotian Army. The N.L.A. forces, which are only located in a few posts in Phong Saly and Sam Neua, are likewise asked to respect the territory under the military control of the Pathet Lao. That, then, is the situation which exists at this time.

14. I do not want here to try to defend what the Commission is or is not doing. I wish it could have done more and I hope that it will be able to do more to assist the parties and to bring conditions in Laos back to normal. The Commission, of course, has no executive powers. It has no teeth. It is only a supervisory body. Last December, it did urge the two sides to get together in an attempt to arrive at a political settlement, and recently it repeated this recommendation. If both parties — who are after all both of Laotian nationality — had shown equal measures of good faith and had been willing to carry out the spirit of the Geneva settlement, then all would have been well long before this. A political settlement would have been concluded by those directly responsible for it, and the Commission would have had only to make certain that individuals were not discriminated against and that no reprisals were taken against the resisters because of their part in the war.

15. Up until as recently as the end of February, the Prime Minister of Laos kept reassuring our Commissioner that things were well in hand and that there was nothing that the Commission need do to assist in the political consultation stage. Nevertheless, incidents kept occurring between the two sides, some of them serious enough and involving shooting and bloodshed, which could not be ignored by the Commission. In these cases, the Commission ordered its teams to conduct investigations as best they could even though they have been constantly hampered until recently by a lack of suitable air transport, by the extremely rugged terrain and, it must be admitted, by delaying devices employed by the Pathet Lao side who, until the Joint Commission was dissolved, were coupled together with representatives of the Vietminh called the People's Vietnamese Volunteers (PVV). A common device was the failure of the PVV/PL side to provide interpreters promptly. Nevertheless, investigations have been carried out, blame apportioned and recommendations made to the two sides to prevent further incidents.

16. A case at point was the Nong Khang incident. As some of you may be aware, it was only with the greatest difficulty that we succeeded in having the Commission, in a split vote, adopt this recommendation. The Chairman, who has the deciding vote in these matters, was very reluctant to proceed once the Polish Commissioner let it be known that he considered the Commission's resolution to be contrary to the Geneva Agreement. He wanted to refer the matter to the Co-Chairmen of the Geneva Conference even though the Agreement does not make provision for references of this nature. I mention this to illus-

trate the fact that there are obvious limits beyond which an International Commission of this sort cannot go. All has not been sweetness and light in the Laos Commission. There is a definite place in the scheme of things in Laos for the diplomatic front to come into play, and indeed it has on several occasions. I am not necessarily being critical here of the Indian attitude; I am simply noting it. They believe, quite sincerely I am sure, that the Commission should make every effort to act unanimously and thus to maintain its prestige and the goodwill of both parties. We have been told by the Indians that we have been far too rigid. I feel that the Laotian Government thinks that we have been too weak.

17. In recent weeks the Commission, still confining itself to the purely military aspect of the situation, has also adopted two more resolutions by split votes with the Poles dissenting. Our sole concern here was to prevent further incidents and bloodshed and thus help pave the way to a peaceful political settlement. By keeping the two sides away from each other, it is hoped to minimize the danger of future clashes. All of this is being done, of course, without prejudice to the rights of the parties in any political settlement which they may reach.

18. The heart of the question, of course, is to re-establish the Royal Administration in the northern provinces and to get the Pathet Lao to desist from considering themselves as a separate military and political entity and, thus, to rejoin the national community and to become reintegrated into it. A real fear is that they are so tarred with the brush of the Vietminh brand of Communism that they will not take their place in the normal life of the country as loyal citizens but will attempt to turn the country completely over to the Communists if they gain sufficient control of its affairs. That is a calculated risk which the Royal Government may have to take in the general elections which are slated to take place later this year. Meanwhile, some means must be found to get the Pathet Lao to submit to the authority of the Royal Government and, needless to say, force is not the answer. In this political settlement phase, about all that the International Commission can do, with its many limitations, some of which I have already mentioned, is to offer its good offices and to try to give the Government as much backing as possible. If the Government shows signs of disregarding the actual written provisions of the Geneva Agreement, or of misinterpreting them, then the Commission will be unwilling to do even that, quite apart from anything that the Canadian Commissioner would like it to do. A single vote, among three, is completely useless.

19. Recently at Bandung, Mr. Pham Van Dong and Prime Minister Katay had informal talks under the aegis of Nehru and Chou En-Lai, and came to an agreement that the Viet Minh Government would not interfere in the affairs of Laos. We understand that Mr. Pham Van Dong even offered to use his influence with the Pathet Lao and in any event agreed that the question of the Royal Government re-establishing itself in the northern provinces was a purely internal one, which the Laotian Government should resolve in whatever manner it saw fit. India, too, has offered to mediate. These are most interesting developments and we are keeping a close watch on the situation to see whether they are reflected in any future talks held by the two parties or in the attitude of the Poles on the International Commission. It remains to be seen whether the Pathet Lao will become more amenable and reach some agreement with the Government. Events in the last few days do not give cause for optimism. We have received reports of further clashes in Sam Neua.

20. The main objective, I think, is to see that the two northern provinces are not allowed to go over to the Communists. It is India's belief that the Viet Minh and the Chinese do not necessarily want to control Laos or Cambodia, but would be quite content to have them exist as independent states of the so-called neutralist type. I trust that India will use her influence there in such a way that the policies of these two governments will not conflict

with our own policies. Certainly, economic aid and technical assistance is required in abundance by both and neither the Vietminh nor the Chinese Reds are in a position to furnish this. I think that there is a great deal to be said for devising some means whereby India herself could provide some of this aid. The more that India becomes committed in Laos and Cambodia, the less likelihood there will be of China or the Democratic Republic of Vietnam attempting to take them over.

21. I have already mentioned Cambodia but perhaps I might say a word about the International Commission there. In general, the work of the Cambodia Commission has not been as difficult as in the other two countries and frankly there is not a great deal for the Commission to do at this time. A few months ago there was a flurry when the ex-King was on the point of introducing electoral reforms which would have been far-reaching. I believe that these reforms, although quite different from anything which we might consider to be truly democratic, were motivated by a sincere desire, on the part of the King, to do what he thought was best for his people. With a few important modifications, they might well have proved effective in doing away with corruption and bad government. However, we did not want the King or his government to find themselves in a position where they might have been justifiably accused of violating a provision of the Cease-fire Agreement, which Canada, as one of the members of the International Commission there, had a responsibility to supervise. We informally let our views be known as did others. The surprising result was that the proposals were dropped altogether and a few days later the King abdicated. A press campaign directed at the International Commission subsequently took place, and many unfair things were said about the Commission's interference in the internal affairs of Cambodia. These statements were completely unjustified and unwarranted by the facts. Since then, the Commission has been going about its normal work of supervising ports of entry, receiving complaints and endeavouring to see that the former members of the Khmer resistance forces are given an opportunity to rejoin the national community without discrimination. The Commission will, we believe, have a measure of responsibility with regard to the forthcoming general elections, now slated to take place on September 11. We believe that this responsibility should be confined to ensuring that the ex-members of the K.R.F. are allowed to participate as electors or candidates on an equal footing with all other Cambodian citizens.

22. Quite frankly, we would welcome an opportunity to reduce our numbers in Cambodia as indeed in the other two countries and even to wind up at least some of the Commissions' activities entirely. However, having accepted membership on these three Commissions, we are, I suppose, bound to observe the rules of the game. These rules are set forth rather poorly in some respects, I think, in the three Cease-fire Agreements. There is no provision in these Agreements for winding up activities entirely. Activities can only be reduced when all three members agree, and then only after consultation with the other two Commissions. Nevertheless, if the time comes when no further useful work can be done, or when activities should patently be reduced but the Poles, for instance, refuse to agree to any such reduction we will not hesitate to act on our own as we see fit.

23. I might mention that the Agreements contain a number of provisions which enable the Commissions to report or to appeal on certain matters to the members of the Geneva Conference. What the Geneva Powers are supposed to do when this happens is not mentioned. I think it is fairly obvious that on a matter where there is a split in the Commission with, for instance, Canada and India on one side and the Poles on the other, there is very little that the Geneva Conference Powers as such could or would do by way of joint action. Any split in the Commission would undoubtedly be reflected in the attitudes taken by the Geneva Powers. There is no provision, in such a case, for the majority view to prevail.

Thus there is in effect no final court of appeal which can render a decision in most cases which might be referred by the Commissions. Nevertheless individual members of the Geneva Conference can — and we hope will — take such measures as are feasible through normal diplomatic channels to call attention to unsatisfactory situations and to suggest remedial action.

24. I mention these points simply to illustrate, in another manner, the facts of life in Indochina from the standpoint of Canada, as a member of the three International Commissions there. It is a most frustrating and trying experience but we shall continue to carry out our responsibilities in the best manner we can and I know that we can count on the sympathy and support of your Governments. Needless to say, we will always welcome any views which any of your Governments may wish to bring to our attention by reason of our membership on the Commissions.

594.

DEA/50052-F-40

*Le haut-commissaire au Royaume-Uni
au secrétaire d'État aux Affaires extérieures*

*High Commissioner in United Kingdom
to Secretary of State for External Affairs*

TELEGRAM 726

London, May 16, 1955

CONFIDENTIAL

VIETNAM ELECTIONS

Following from Holmes. The following are a few tentative conclusions which I have reached as a result of talks I have had in Paris and London with Roux of the Quai d'Orsay, Allen and Tomlinson of the Foreign Office, Young of the State Department and a few other people. They are based on things left unsaid as well as things said and are not based on specific statements of policy by the persons concerned.

2. The French, British and Americans agreed last week in Paris that pressure should be put on the Diem Government to be ready in July with some specific proposals for elections and to try to beat the Vietminh to the draw. The French are pleased with Dulles' full support of such a policy. They all realize, however, that such pressure will have to be very tactfully applied as the Vietnamese are suspicious and do not want to be driven. One of the approaches considered, for instance, is that the British might ask the Vietnamese if they would like to see the proposals they had drawn up for German elections. By such indirectness they hope to get the Vietnamese started on something concrete.

3. The Vietnamese are particularly suspicious of the Commission and not at all anxious to have it interfere in the negotiations. The Americans, although they have not said so to me, are probably not very anxious either for the Commission to play a part. The French do not seem to have any objections to the Commission playing a mediatory role along the lines suggested in our memorandum but they are nervous of the effect on the Vietnamese of any indication by the Commission that it is thrusting itself forward and trying to put pressure on them. (I sensed this French concern in my talks with Roux, and Denis Allen has confirmed it. When I talked to Roux, however, I made it clear that we had no desire to bring the Commission powers into the act. All we were suggesting was that if the parties wanted assistance from the Commission powers we thought any such contribution should

be along the mediatory lines we described. We should be delighted, however, to be excused if we were not needed).

4. The British, French and Americans, approaching the question from somewhat different directions, seem to be agreed that by far the best way for the negotiations to be conducted is for the two parties to get together by themselves without the Commission powers. They already seem to have accepted the principle that it is their job to get the negotiation started because they are already working to that end. If it should seem wise at some time to call on outside assistance, the Commission powers might be asked to help, but the South Vietnamese seem to prefer help from the UN or some other source. It is, of course, not unlikely that the Geneva powers will find themselves drawn into the role of mediators or catalysts now that some of them at least have started putting pressure on what if assumed to be the less willing party. MacMillan has in mind talking to Molotov in Vienna about the elections and the British are not ruling out the possibility of some understanding with the Russians on this subject.

5. All this seems to me satisfactory from our point of view. The Geneva powers, or some of them, seem to be accepting a responsibility we have insisted was theirs, and we may be spared direct participation in the first phase of the election process. There is no doubt that our memorandum has had a considerable effect on British and French thinking, particularly, I think, our arguments on the inadvisability of setting up an electoral commission to direct the final phase and on the advantages of the acceptance of responsibility by the Geneva powers.

6. We may, however, be reckoning without the Indians, I have pointed out that it will be difficult for us to hold back the Indians and the Poles if nothing is under way by July, and the Foreign Office seem to have been making this point already with the French and Americans.

7. These are very preliminary thoughts for your consideration which I may have to revise as I move East.

595.

DEA/50052-A-40

*Le commissaire de la Commission internationale de surveillance
pour le Vietnam
au secrétaire d'État aux Affaires extérieures*

*Commissioner, International Supervisory Commission for Vietnam,
to Secretary of State for External Affairs*

DESPATCH 263

Hanoi, May 16, 1955

CONFIDENTIAL

Reference: My despatch No. 154 of March 21.†

INTERNATIONAL COMMISSION — CURRENT PROBLEMS

With the end of the 300-day period drawing rapidly nearer, the Commission, since our last report, has concentrated most of its attention and energies on the question of Freedom of Movement, Article 14(d), and the final 300-day phase of the regroupment of forces, Article 15(a), to both of which the deadline of May 18 applies. At the same time the Commission has considered a number of important issues brought to its notice under other articles of the Geneva Agreement, notably 14(c), 16 and 21.

2. While adhering to the strong line which in March he had shown himself capable of adopting against either party thought to be shirking its responsibilities, three facets of the Chairman's approach to the task entrusted to the Commission give rise to some uneasiness. In the first place, he has persistently refused to place blame on the DR Government (where I think it properly belongs) for the failure to implement 14(d) adequately in the North. Secondly, he has always had a preference for finding a middle way, almost at all costs, and certainly frequently without due regard for the objective merits of a question, whenever the Polish delegate and I have differed. This predilection has been more noticeable of late and raises the danger that unless I take a more extreme position than seems warranted on an objective assessment of the point at issue, the compromise eventually hit upon may represent a bad decision from the Canadian point of view. Finally, there have been occasions during the past month when the Chairman has been singularly inept in his handling of General de Beaufort. This has not contributed to the mutual sympathy of the Commission and the French. Despite these weaknesses, I continue to feel that Mr. Desai has managed his arduous task with skill — and purpose, and that his influence has generally been exercised with considerable effect along lines to which I cannot take exception.

3. With respect to freedom of movement from North to South, it has indeed been a trying and a busy time, and the Canadian Delegation has been constantly required to break trail for the Commission in its redoubled efforts to find a solution for this complex problem. The three special teams mentioned in paragraph four of my despatch under reference have each made two extended visits to the areas assigned to them.¹⁸ In addition, they have carried out further limited investigations based on fresh French complaints, while other teams have been despatched on similar missions. On the strength of their reports on the first visits, the Commission enumerated the continued inadequacies of the situation in particular localities, and drew a number of suggested corrective measures to the attention of the PAVN High Command with a recommendation that steps be taken immediately to rectify matters.

4. At about this time the Commission began its debate on the draft Third Interim Report to the Co-Chairmen, which, as finally approved, is a brief and "balanced" document arranged under the same chapter heads used in previous reports.¹⁹ It seeks, in accordance with the Indian Chairman's wishes, to set the fact that the PAVN has fallen down in implementing Article 14(d) against French shortcomings with respect to Articles 14(c) (democratic freedoms), and 21, (prisoners of war and civilian internees). Paragraphs 11 and 19 of the report describe the unsatisfactory situation concerning freedom of movement. The principal defect from the Canadian point of view is that while in tripartite terms, a critical report has been obtained, indicating clearly the unsatisfactory state of implementation of 14(d), the Report does not sum up as clearly as we would wish the true seriousness of the freedom of movement problem in the North, and does not indicate clearly enough the responsibility of the DR for this situation. In order to ensure that the Commission's findings were brought to the attention of the Co-Chairmen of the Geneva Conference, we pressed for a reference under paragraph 13 of the Final Declaration of the question of freedom of movement, but could not carry the Chairman or the Pole with us. Accordingly, a minority Canadian note was attached to the letter of transmittal forwarding the report to the Co-Chairmen, which has helped to focus attention on the seriousness of the situation.

¹⁸ Trois équipes mentionnées dans le document 588.

Refers to the three teams mentioned in Document 588.

¹⁹ Voir/See United Kingdom, Parliamentary Papers, Cmd. 9499, *Third Interim Report of the International Commission for Supervision and Control in Vietnam*, London: Her Majesty's Stationery Office, 1955.

The minority note indicated that progress in the implementation of Article 14(d) would continue to be unsatisfactory unless administrative arrangements and transport facilities were urgently improved, that the delay in respect of Article 14(d) had been a matter of serious concern to the Commission, and that it was not possible to state at that stage that Article 14(d) would be implemented in full within the time limit laid down. The note went on to state that, in view of the short time remaining before the end of the 300-day period and the record to date, the Canadian Delegation requested that the question of implementation of Article 14(d) be referred to the members of the Geneva Conference in accordance with Paragraph 13 of the Final Declaration. Since then your statement in the House on May 3,²⁰ a copy of which I have given to Mr. Desai, and the immediate steps taken by Sir Anthony Eden to obtain Soviet concurrence in bringing this question to the attention of the Geneva Powers have done much to strengthen the Canadian position.²¹

5. The special teams have returned or are now about to return to Hanoi after completing their second visits. On the basis of their final reports the Commission will draw conclusions as to the implementation of Article 14(d) in the North. The first step will be to assess the size of the remaining problem. This will not be an easy exercise for the main reason that team reports indicate how difficult it is becoming to find evidence that a sizeable problem exists. The present position, as indicated in my telegram no. 220 of May 12,† is that, while there is evidence that some permits are being granted in areas checked by teams, and some movement is taking place under pressure of these investigations, our own view is that teams have faced a widely organized and subtle form of obstructionism which is apparently designed primarily to take up the team's time on complaints about activities of so-called French Union agents who are alleged to be forcing people to go South. It is also apparent that access of genuine petitioners to the teams is more difficult than ever before and the DR have made a very considerable effort for this purpose. Obstructionism of this type is hard to prove as such, nor does it always show up distinctly in agreed team reports.

6. To prepare ourselves for the discussions that will undoubtedly begin in the very near future on the question of the Commission's position in relation to a possible move for an extension of the time for freedom of movement, we have exchanged a number of messages with the Department, the latest of which are your telegrams no. 190 of May 11† and no. 193 of May 13,† and our telegram no. 220 of May 12.† We shall be guided by these instructions, although, as I am sure you will agree, the timing of any Canadian initiative in the Commission will have to be related to the consideration of final team reports, and to any formal request which may be put before the Commission by one or both parties before May 18.

7. In an effort to weaken the case against the DR in respect of Freedom of Movement, the Polish delegate has twice mentioned the announcement made on February 4 that the North would welcome an agreement with the South on the opening of the demarcation line for free intercourse between the two zones. Although it was possible to prevent the Polish delegate from obtaining mention of this proposal in the Third Interim Report, it may not

²⁰ Voir Canada, Chambre des Communes, *Débats*, 1955, volume 3, pp. 3564-3567.

See Canada, House of Commons, *Debates*, 1955, Volume 3, pp. 3388-3390.

²¹ Pour l'aide-mémoire de Eden à Molotov en date du 14 mai 1955, voir United Kingdom, Parliamentary Papers, Cmd. 2384, *Documents relating to British Involvement in the Indo-China Conflict 1945-1965*, London: Her Majesty's Stationery Office, 1965, pp. 92-93.

For Eden's Aide-Mémoire to Molotov of May 14, 1955, see United Kingdom, Parliamentary Papers, Cmd. 2384, *Documents relating to British Involvement in the Indo-China Conflict 1945-1965*, London: Her Majesty's Stationery Office, 1965, pp. 92-93.

prove to be so easy to keep emphasis on it from diverting attention from the important fact of DR failure to implement Article 14(d).

8. Another means of reducing the impact of this failure has been for the PAVN, seconded by the Polish Delegate, to seek to concentrate attention on the less than perfect performance in the South in respect of Articles 14(c) and 21 (particularly with respect to the unsatisfactory investigations at Poulo Condore and Chi Hoa). I have tried with some success, and most of the time with the Chairman's support, to keep allegations of violations of these articles in their proper perspective, since it seems clear that they are, for the most part, gambits in a propaganda battle. The Commission's ability to establish this has, however, been effectively hampered by the fact that, particularly after the recent difficulties, the French have failed to obtain from the South Vietnam authorities anything like adequate co-operation in facilitating such investigations as the Commission could not avoid instituting. The DR and the Polish Delegation have been quick not to miss the opportunity of emphasizing that there have been demonstrations in the South hostile to Commission teams and that the recent civil and para-military disturbances have brought a number of investigations in the South to a halt.

9. The determination of the DR to exploit every propaganda opening has been especially noticeable in relation to the transfer of the Haiphong perimeter. Allegations of "forced evacuations" in that area, and in areas in which our special freedoms teams are operating, are being received with increasing frequency. In the last days of the Haiphong transfer this propaganda theme was substantially stepped up. Numerous complaints that the French have been removing equipment and services irregularly, and that they have not displayed good faith in the negotiations on these matters in the Joint Commission, have also been sent to the Commission. The importance of these allegations has been played down and the necessity to send teams into the Haiphong perimeter to investigate them has been avoided whenever possible. There has been increasing evidence, however, that tempers were becoming short and that tension has mounted, both in the perimeter and in Interzone 5 in the South, the transfers of which constitute the final phase of the regroupment provisions of the Agreement. The Commission has recognized that this development, if allowed to go unchecked, could constitute a serious threat to the orderly and peaceful execution of the complicated plans for the transfers, which the Commission had helped the parties to work out. Accordingly, both Liaison Missions were called before the Commission and the Chairman was firm in pointing out the need to keep calm and to co-operate fairly and objectively in carrying out their responsibilities.

10. The important thing, however, is that no incidents of any significance have yet occurred. Indeed, as I have already reported by telegram, the hand-over of the city of Haiphong on May 13 was unmarred; and its very order and calm concealed the detailed and careful staff work between the parties, and by the Commission, which were largely responsible. Nevertheless, given that the DR is anxious to embarrass the French, that the French are specially sensitive, that because the people in the Haiphong perimeter are generally in a tense state of mind, the completion of the 300-day period without a flare-up either in the Haiphong area or in Central Vietnam will be welcomed with relief.

SHERWOOD LETT

596.

DEA/50052-A-40

*Le commissaire de la Commission internationale de surveillance
pour le Vietnam
au secrétaire d'État aux Affaires extérieures
Commissioner, International Supervisory Commission for Vietnam,
to Secretary of State for External Affairs*

TELEGRAM 246

Hanoi, May 24, 1955

CONFIDENTIAL. IMPORTANT.

FREEDOM OF MOVEMENT — EXTENSION OF 14(D)

At Commission meeting May 23 (attended by Mr. Holmes) discussion concluded on report of team 56 and continued with Commission's assessment of the size of the remaining problem and preliminary consideration of future measures.

2. On the assessment, it is quite clear that the Commission is not agreed in its judgment of size of remaining problem. Canadian position was that although we could not state the size of remaining problem in precise terms, evidence was that Article 14(d) had not been fully implemented and that a substantial problem continued to exist.

3. In summarizing our conclusions, I made the following points:

(a) That the permit procedure has been inadequate and inefficient and that there have been serious delays.

(b) That people have been refused access to the Commission's teams and that they have been afraid to apply for permits.

(c) That there has been discrimination against certain persons, e.g. landowners, in the issue of permits.

(d) That transport arrangements have not been adequate.

(e) That the recommendations of the Commission have not been fully carried out, and that many people who wish to go and reside in the other zone have not been permitted and helped to do so by the APVN authorities.

4. The occasion did not present itself to place our detailed case on the record (except during consideration of individual mobile team reports) but we were able to set out main reasons why we consider 14(d) has not been fully implemented.

5. In addition, I proposed that the parties be informed that the Commission considers that 14(d) has not been satisfactorily implemented, and that the Commission request the parties to reach agreement as a matter of urgency upon the necessary measures to assure that the provisions of 14(d) are fully carried out. Such continuing implementation should be under the supervision of the Commission, and the Commission should reserve the right to add to or amend the conditions of extension suggested by or agreed to by the parties.

6. The Chairman's view was that the bulk of the problem had been resolved but that there remained small minority groups throughout the north for whom facilities had not yet been provided. The Pole's view was also restrictive and he concluded that the "residual" problem was of very small proportions.

7. Because of the divergencies which exist the Chairman's proposal was that the Commission might only agree that, for our meeting with liaison missions (May 27) he could state that the implementation of Article 14(d) had not been completed, a statement which

we believe leaves much to be desired, but which was the only interim compromise possible between the views the Commission expressed. We, of course, reserved the right to state our own view of the problem in detail on the record.

8. On future measures the following principal points emerged.

(1) There was agreement between the Pole and myself, in which the Chairman concurred, that the action by the DR as outlined in their submission of May 20th (see para 2 of my telegram No. 239 of May 20th)† did not in fact constitute an “extension” as it has been interpreted, not only by the press and radio but also in official circles. The DR action of May 20th is essentially a unilateral declaration of intention to clear up what they regard as “residual” cases of persons who have “expressed the desire” to take advantage of Article 14(d) (i.e. presumably a restrictive reference to those who have already applied for permits and who have been prevented from moving because of ‘transport or other difficulties’) but on its face it does not, as you will be aware, provide for an extension, either through modification of the agreement or through agreement reached directly between the parties, nor does it provide for continued Commission supervision.

(2) In addition you will have noted that the DR statement concerning continuation of Article 14(d) for one month is linked to the more general proposals of February 5th providing for the normalization of relations between north and south and for the virtual abolition of the provisional demarcation line. These proposals, as we know from the French Liaison Mission, are regarded by the French authorities with suspicion, principally because they consider that it would have the effect of permitting the move only of those people whom the DR wished to send out. We have to be extremely careful, therefore, at this stage of consideration of the DR proposals, which seem to us to go beyond the scope of the Commission and probably of the present Geneva Agreement, to distinguish between the need for the continuation of Article 14(d) on the one hand, and on the other the general DR proposals, which are essentially matters for subsequent discussions by the parties, if the parties so wish.

(3) There is, therefore, no specific proposal for an extension yet before the Commission. The Polish Ambassador made it clear that he considered the DR declaration would be adequate to resolve the problem of the residue and that (50 groups omitted, repetition requested) was a matter for the parties and would depend upon basic agreement between them to work towards the consultations foreseen in the final declaration.

(4) Mr. Desai produced the suggestion that the Commission might consider recommending to the parties an extension linking up the continuing implementation of Article 14(d) with the date foreseen for electoral consultation, i.e. July 20th. What he seemed to have in mind was that an extension of this duration would leave to the parties, as “consumers”, the determination of the state of implementation of 14(d) and would act as an incentive to the DR to continue freedom of movement in order not to jeopardize the possibility of electoral discussions. Neither the Pole nor myself was prepared at yesterday’s meeting to accept his proposal, without careful study, although we did not reject it, and we will be considering it further in due course.

9. The liaison missions are meeting with the Commission May 24th to express their views on the various proposals put forward by each side.

597.

DEA/50052-F-40

*Note du chef de la direction de l'Extrême-Orient
pour le sous-secrétaire d'État aux Affaires extérieures*²²

*Memorandum from Head, Far Eastern Division,
to Under-Secretary of State for External Affairs*²²

SECRET

[Ottawa], May 25, 1955

AMERICAN AND INDIAN ATTITUDES TOWARD VIETNAM ELECTIONS

You have asked for our views as to whether a gulf was opening between the American proposal that the Vietnamese should follow the proposals put forward for all-German elections and the Indian view that their own electoral law would suit the situation.

2. WA-833 of May 20† reports that the State Department consider that conditions for free elections in Vietnam should be those put forward by Sir Anthony Eden for the reunification of Germany at the Berlin Foreign Ministers' Conference in 1954. The Eden proposals as made on January 29, 1954 and supported by France and the United States contained the following relevant provisions:

(a) Free and secret elections should be held throughout Germany for the purpose of electing a constituent assembly.

(b) The all-German electoral law as promulgated should include provisions guaranteeing the "genuine freedom of the elections". The Eden proposals specified the kinds of provisions generally associated with free elections in the Western democracies, i.e. freedom of movement throughout Germany, freedom of various mass media, freedom of presentation of candidates, secrecy of the vote, etc.

(c) The elections were to be supervised by a hierarchy of Supervisory Commissions at the national, provincial and local levels. Each commission was to consist of representatives of the four powers with or without the participation of neutrals. All electoral results were to be counted and verified at local headquarters in the presence of the local supervisory commission. In the period between the end of the elections and the full assumption of German sovereignty by the new all-German government to be established part of the supervisory apparatus was to remain in operation "to prevent action after the elections which would impair the conditions of genuine freedom under which they will have been held."

3. There is nothing in the Eden proposals in flat contradiction to Indian electoral law and procedure. However, if the Americans regard the contemporary Vietnam situation as analogous to that of Germany at the time of the Berlin Conference while the Indians attempt to apply directly their own electoral procedures to the same situation difficulties may arise. The core of the German 1954 proposals lay in their emphasis on safeguards for genuinely free elections where such conditions were not easily realizable; there was an understandable and justifiable fear that in Germany, as in Vietnam, the communists would subvert the operation of democratic electoral processes and a determination to prevent them from doing so. In post-1947 India, on the other hand, the conditions for genuinely free elections in the western sense have been much more favourable and there has not been the same preoccupation with safeguards for democratic procedures; freedom of assembly and

²² Cette note a été expédiée à Pearson.

This memorandum was forwarded to Pearson.

expression has been established, the more important contending political groups have in general been willing to conduct themselves according to western standards, an impartial judiciary has been in operation and so on. It may thus be guessed that the Indians will be less insistent on the provision of enforceable safeguards for free elections in Vietnam than are the Americans and the representatives of South Vietnam.

4. The actual and potential cleavage in American and Indian attitudes toward the Vietnam elections appears to be based on broader policy considerations than those mentioned above. The Indian attitude consists of three major elements:

(a) A disposition on their part to accept Vietminh support for free elections at face value.

(b) A belief that all of Vietnam must inevitably fall under Vietminh control in the near future.

(c) A profound distrust of the motives of the Americans and the South Vietnam Government with perhaps a suspicion that these parties will deliberately "scupper" the projected elections by insisting on safeguards which are unenforceable and unacceptable to the Vietminh.

The Americans and the South Vietnamese cannot be expected to share the attitude of the Indians to the Vietminh.

5. So far as Canada's attitude on this matter is concerned, I suggest that, while sharing the American view that the South Vietnamese may legitimately insist on adequate safeguards for free elections, we should present such views in a way calculated to bring the Indians along step by step. We can trust the Americans, the French and the British to be on the lookout for the interests of the South Vietnam Government. If the Vietminh run true to form in the consultations preceding the election, it may be possible for us to bring the Indians at least partially around to our recognition of the need for adequate and enforceable safeguards and incidentally contribute something to general Indian political education in the realities of communist practice. Above all we should avoid having ourselves considered by the Indians as the agents of South Vietnam—American group as this eventuality might well frustrate any attempts to bring around the Indians to the recognition of the need for safeguards and further reinforce their attitudes toward the Vietminh and suspicion of the non-communist powers involved.

6. A telegram to Delhi† briefly discussing these different approaches is attached for your consideration.²³

ARTHUR MENZIES

²³ Pearson a discuté du problème des élections avec Menon le 8 juin 1955. Voir le document 292.
Pearson discussed the problem of elections with Menon on June 8, 1955. See Document 292.

598.

DEA/50052-A-40

*Le commissaire de la Commission internationale de surveillance
pour le Vietnam
au secrétaire d'État aux Affaires extérieures*
*Commissioner, International Supervisory Commission for Vietnam,
to Secretary of State for External Affairs*

TELEGRAM 260

Hanoi, May 30, 1955

CONFIDENTIAL. IMMEDIATE.

Reference: My telegram No. 247 May 24.

FREEDOM OF MOVEMENT

1. May 27 the two sides reported at a joint meeting with the Commission that agreement had not been reached on most of the substantive points concerning any extension of the arrangements under Article 14(d). Mr. Desai immediately indicated that the Commission would consider the situation in the light of their statements and that the Commission would make concrete suggestions on May 28.

2. On May 28 the Commission first agreed upon suggestions and subsequently transmitted them to the two sides at another joint meeting.

3. The discussions in the Commission went surprisingly smoothly. The main reason for this being that Chairman had been working behind the scenes. During the negotiation I put on the record that the Canadian delegation considered an extension necessary because Article 14(d) had not been satisfactorily implemented by the APVN and that the Commission should request the parties to reach agreement as a matter of urgency upon measures to ensure that 14(d) is fully implemented. I took the line that any extension of the arrangements should include the following.

(a) They should continue until such time as the provisions of 14(d) are fully carried out to the satisfaction of both parties and the Commission. However, a definite time limit I suggest to consider Chairman's suggestion of July 20 might be agreed upon provided that the possibility of a further extension was left open and this was specifically reserved.

(b) There should be no restriction as to the persons who could benefit.

(c) Implementation of these arrangements should be under the supervision of the Commission and the Commission would make proposals from time to time on the necessary methods to ensure that this supervision is adequate and effective.

(d) Each party should be required to assist refugees to move as a matter of right once only.

(e) The permit system should conform to the Commission's recommendations of February 2 and other suggestions made by the Commission on basis of team reports, other equalities such as transport and transit arrangements to be worked out by the two sides.

(f) Adequate publicity about the continuation of the arrangements would have to be made to secure free exercise and rights of option without hindrance or interference.

(g) The High Command should impress upon local authorities that intending evacuees be moved as quickly as possible.

4. Agreement was reached late May 28 on the following six point suggestion to the parties.

(a) Action taken by the two parties until May 18 for the execution of Article 14(d) and Commission's recommendations of February 1 will be continued by both sides until July 20.

(b) There will be no restriction on those who may benefit.

(c) Both sides will continue to give permit facilities to people who change their minds once as a matter of right.

(d) The Commission will continue to supervise, and to undertake investigations on its own initiative if necessary, in order to ascertain whether there is any breach of Article 14(d) and recommend remedial measures.

(e) The two parties will make adequate publicity arrangements (see paragraph (f) above).

(f) The two parties will continue to discuss any mutual problems and will request the Commission's intervention when necessary.

5. The two liaison missions were requested to indicate that night whether their High Commands agree in principle to these suggestions. Final acceptance on any suggested modifications would be communicated formally to the Commission on May 30 while it is in Saigon. The (group corrupt) liaison mission immediately indicated agreement in principle with the suggestions. The DR liaison mission declared that it would consult his High Command.

6. This final result is not so unsatisfactory from point of view of our essential points of duration categories to benefit, and Commission supervision. General de Beaufort privately expressed himself as satisfied with these suggestions (which can become "recommendations" if DR does not accept promptly). We must try to see to it that agreement anticipated results in continued movement from the north, and not merely in continued posture of cooperation that DR have assumed for some time. Public release of position if and when agreed by DR will probably be made early this week in Saigon.

599.

DEA/50052-A-40

*Le commissaire de la Commission internationale de surveillance
pour le Vietnam
au secrétaire d'État aux Affaires extérieures*

*Commissioner, International Supervisory Commission for Vietnam,
to Secretary of State for External Affairs*

TELEGRAM 289

Hanoi, June 9, 1955

SECRET. IMMEDIATE.

Reference: Your telegram No. 199 of May 18.†

FREEDOM OF MOVEMENT IN THIS DELEGATION, AIM IN CONSULTATION
WITH DEPARTMENT

Throughout long negotiations on freedom of movement we have taken view that main aim was to enable as many people as possible to exercise their right under Article 14(d). We have sought to pursue this practical course by the exercise of pressure on the DR following specific investigations, and as considered alternative to the minority course of calling publicly violations on the part of the High Command, which might have jeopardized

the limited cooperation extended by the Viet Minh to the Commission on Article 14(d), and during 300 day period, affected vital phases of military regroupment and transfer.

2. The result of this persistent, though largely unpublicized pressure on the DR by the Commission has been that people have moved in substantial numbers (the present official figure is about 930,000). Though it may be said that the vast majority moved without permits or assistance from DR, the overall result is not insignificant, and although Article 14(d) not fully implemented by May 18, a practical extension for further two month period has been obtained in principle from parties, at insistence of Commission.

3. We recognize that this policy of practical effort has not always produced much in the way of documentation and material which could be used publicly concerning the state of implementation of Article 14(d), as you point out, particularly in paragraph four your telegram No. 199 of May 18th. As you know, the Commission's records and team reports, where this material may be found, are classified. Up to now there have been three main methods of making available to the public information on implementation of Article 14(d).

(a) Press releases and press conferences of the Commission. These have been uniformly unsatisfactory and there is little prospect of our being able to change this situation under the system of unanimity and an Indian spokesman to which the Commission agreed early in its history.

(b) Interim reports to co-chairmen. Here too difficulties arise from convention of unanimity on which Commission has overrated, to balance reporting on 14(d) and 14(c) (where the record of south has been extremely bad), and fact that public release of these reports, inadequate as they may be, is invariably delayed since it is dependent upon agreement of all Geneva powers.

(c) Ministerial statements. Needless to say, the statements which the Minister has made in the House are far and away the most valuable method of placing work of Commission and Canadian delegation publicly in their true context.

4. The action which we took in third interim report has not yet been made public. The (tactic?) of submission of a minority reference to co-chairmen by Canadian delegation, together with agreed critical references in report itself, has, I think, been justified by events since United Kingdom co-chairman was able to refer to relevant paragraphs of the report dealing with freedom of movement (which Polish Commissioner had accepted) in his communication to Mr. Molotov with the results we know.

5. There is another point to which in our view, insufficient attention has hitherto been drawn. A publicized indictment of the DR on charge of failing to implement Article 14(d) and a detailed expose of the DR to shortcomings in obstructing and hindering freedom of movement could readily be matched by reciprocal action by Polish Commission (with which the Indians might well be in agreement) to charge the other party with failure to carry out provisions of Article 14(c). The investigations which have been conducted by mobile teams in South (including reports now being received) provide an ugly picture of beatings, tortures and murders of former members of the resistance which took place last fall. These facts are on record in the Commission. Even at present, conditions in certain areas in South are so unsatisfactory that security of our teams cannot be guaranteed by either French or South Vietnamese authorities and Commission's investigations in these areas have been carried out only with greatest difficulty. A fair picture, therefore, of the operations of Geneva agreement would reflect what can only be described as a shocking state of law and order in many areas in South Vietnam, at least in early stages, and, coupled with the present sect troubles, there is ample evidence which the Pole could use at any

time to illustrate how insecure and weak government in south has been in carrying out its responsibilities under the agreement.

6. In remaining period, we shall of course endeavour to have the parties work to secure fuller implementation of Article 14(d). Even now, however, it may be said that DR will continue to make every effort to prevent people going south to minimize size of remaining problems. It will make it difficult for Commission to obtain evidence that 14(d) is not being fully implemented and the same time particularly in view of their increasing difficulties with South Vietnam Government it will be difficult to count on an energetic and active approach by the French. Accordingly, while specific and limited measures may be possible we doubt whether much will actually be accomplished during the extended period.

7. If this diagnosis is correct question arises as to what steps are open to question (group corrupt) assessment of the situation on the public record either now or at end of period of extension. The fourth interim report is unlikely to be prepared until after Mr. Desai's return and completion of extension period. Saigon move will take place about that time and previous experience particularly where minority appreciation involved suggests such a report unlikely to be completed before late August at earliest. One questionable alternative might be to again propose that a separate report on freedom of movement should be sent to co-chairmen by telegraphic means immediately following end of extension period and if this were unacceptable to the Indian and the Pole, as was case in March last, to insist upon our right to transmit a separate and unilateral report on freedom of movement to co-chairmen, as soon after July 20 as possible. As a variant on this suggestion you may wish to refer to the idea put forward in your telegram to Canada House No. 745 of May 6† repeated to us as No. 173 of same date, paragraph 6 of which makes suggestion that United Kingdom co-chairman might request Commission for "further information concerning the freedom of movement problem". In view of the interest of United Kingdom co-chairman in this information possibly a request could be made to Commission by one of the co-chairmen for a report on operation of freedom of movement during extended period.

8. Before taking action on these lines, however, consequences should be carefully weighed. Mr. Desai has been anxious that during this period everything should be done to reduce tension as much as possible between the two parties, so that electoral consultations foreseen in final declaration may take place in the most propitious circumstances. This view is not restricted to the Indians but is shared, I believe, by French and United Kingdom authorities, and we think there is a good deal of merit in this approach. The reason for emphasising need for electoral consultations is clear. It is that if such consultations are not held, the effect upon maintenance of peace in Indo-China might be extremely serious, since the DR are unlikely to sit idly by without taking steps of their own to bring about a situation throughout Vietnam more to their liking. This does not necessarily mean a renewal of hostilities in the ordinary sense it may simply mean an increase of infiltration and subversion in the south in order to bring about an eventual situation in all of Vietnam favourable to the cause of the Viet Minh.

9. Canadian policy and action in Commission and elsewhere on freedom of movement issue after July 20 therefore might conceivably directly affect continued work of Commission at critical time and atmosphere in which consultations are to take place. Our policy in this matter seems to us to go to the root of Canadian participation in this Commission. Implementation of Article 14(d) is not sole purpose of agreement (despite volume of publicity concentrated upon it) and our central task in Commission is to assist in continued maintenance of peace in Indo-China and prepare ground for a possible political settlement. The need therefore is to reconcile two elements in our policy

(1) The facts re DR performance not merely on record of Commission but in form of a further minority appreciation in fourth interim report or possibly as a unilateral report (paragraph 7 above) designed for eventual public use and

(2) To avoid action about July 20 which would leave us open to the accusation that Canada had created an unfavourable climate for electoral consultation between north and south and had hindered the negotiations which alone will give the south the time it so badly needs to prepare for elections.

10. In light of foregoing and possibilities which exist for putting our views on the public record in accordance with paragraph 7 above, your early comments and instructions would be appreciated.

[SHERWOOD] LETT

600.

DEA/50052-F-40

*Le secrétaire d'État aux Affaires extérieures
au commissaire de la Commission internationale de surveillance
pour le Vietnam*

*Secretary of State for External Affairs
to Commissioner, International Supervisory Commission for Vietnam*

TELEGRAM 240

Ottawa, June 10, 1955

SECRET. IMMEDIATE.

Reference: Your telegram No. 35 of May 31.†

Repeat London No. 946; Paris No. 344; New Delhi No. 377.

PRE-ELECTORAL CONSULTATIONS

Press reports concerning the DR announcement of their readiness to participate in inter-zonal discussions do not suggest that any invitation has been issued to the South Vietnam Government.²⁴ We are not clear, therefore, as to whether this declaration is indeed the initiative forecast by the Pole or whether something more positive is still in the offing. We would appreciate any information you can supply.

2. I do not believe that the Commission itself should at this time take any action as a consequence of this DR declaration. In the event that the DR should ask the Commission to take some action to get the two parties together for pre-electoral consultations, it would not perhaps be desirable for the Commission to refuse to take any action whatsoever. If the Commission were to refuse, the DR might endeavour to press the matter in the Joint Commission, and by this means to put on the French some measure of responsibility for seeing to it that the provisions in the Final Declaration concerning consultations and elections are carried out by the South Vietnamese Government. We would be grateful for your comments on this possibility.

3. If the Commission receives a request for action from the DR I think that the most that the Commission should do would be to act as a post office: that is, the Commission might

²⁴ Pour l'annonce du 6 juin 1955, voir Allan W. Cameron, *Viet-Nam Crisis: A Documentary History, Volume I, 1940-1956*, Ithaca, New York: Cornell University Press, 1971, pp. 373-374. For the announcement of June 6, 1955, see Allan W. Cameron, *Viet-Nam Crisis: A Documentary History, Volume I, 1940-1956*, Ithaca, New York: Cornell University Press, 1971, pp. 373-374.

appropriately transmit the text of any document received to the South Vietnam Government (preferably directly, but if necessary through the French Liaison Mission) without comment and without a Commission request for a reply. If your colleagues agree that this should be done, I think you should also insist that the Commission send a communication to the Geneva Conference Co-chairmen advising them of the action taken and pointing out that this was done merely as a service to the parties and in full knowledge that the terms of reference of the International Commission do not extend beyond the supervision of the implementation of the cease fire agreement which contains no provisions relating to the inter-zonal consultations on elections.

4. Beyond this I do not think it would be appropriate for the Commission to take any other action, since it has no mandate to do so from the Geneva Conference Powers. For the Commission to take any other action beyond its normal terms of reference on the basis of a request from one party only might be particularly unwise since it could very easily jeopardize the relations of the Commission with the South Vietnamese Government, whose cooperation with the Commission is essential if the provisions of the cease fire agreement which have a continuing application are to be carried out. If your colleagues on the Commission press hard for some more extensive action than that suggested in the previous paragraph, you might say that you are willing to refer their proposals to Ottawa for consideration but you should give them no encouragement to think that we would be likely to take up their proposals.

5. We do not wish to give the appearance of being obtuse in this matter or of quibbling over procedural niceties in order to block progress on the elections question. On the other hand it is most important that we should not slip gradually into new commitments, which could very easily happen if the Commission starts to deal with matters beyond its normal responsibilities.

6. We note from this morning's papers that the South Vietnam Government are taking the line that it is up to the Geneva Conference Powers to reply to the DR statement concerning inter-zonal consultations. This reinforces our belief that the International Commission should stay well clear of the problem for the time being.

[L.B.] PEARSON

601.

DEA/50052-F-40

*Le commissaire de la Commission internationale de surveillance
pour le Vietnam
au secrétaire d'État aux Affaires extérieures*

*Commissioner, International Supervisory Commission for Vietnam,
to Secretary of State for External Affairs*

TELEGRAM 43

Saigon, June 11, 1955

SECRET. IMPORTANT.

Repeat Hanoi, New Delhi, Paris, London.

Following from Holmes, Begins: The following are my impressions of the electoral intentions of the South Vietnam Government after talks with Diem, various ministers and officials and with British, American, Australian and French representatives in Saigon.

The Government's position was particularly, clearly and candidly outlined to Crépeault and me by Nguyen Huu Chau the very influential (young?) minister without portfolio, the

night he left for Paris, with the expressed intention of seeking a showdown with the French on their relations to the Diem Government and the status of their forces in Vietnam.

The members of the government are certainly not at this moment thinking in any concrete terms of entering into consultations on elections in July. (They take trouble to point out that the Geneva Agreement speaks of consultations rather than negotiations). The only positive idea mentioned was Chau's suggestion that the provisions of Geneva might be formally fulfilled if the south pass their views in writing to Eden who would pass them to Molotov for transmission to Hanoi, the same procedure in reverse being available to the north. They undoubtedly recognize the reasons for complying with the provision for consultations in July, and they are being firmly urged by the Americans to make at least a gesture by that time but they continue to repeat that as non-signatories (they?) are not bound by the Geneva terms. The United States Ambassador told me that he thought a legal case could be made to prove that the South Vietnamese are bound by the Geneva Agreement as a successor government and by reason of their acceptance of this Commission and association with the fulfillment to date and the terms of the agreement, but said he was arguing with them not on legal terms but on the ground that it was (group corrupt) for them to show willingness to consider elections.

The official argument is that there cannot be consultations on general election until the people of South Vietnam have expressed their wish through election in the south. These latter elections however cannot take place until a settlement has been reached with the French. So long as the High Command is in the hands of the French, it is said, the Diem Government could not appear as a free government in the eyes of the people, and the French army could interfere grievously on the voting. None of the Ministers I spoke to have said flatly that they will not enter into consultations in July, but they indicated that all decisions are suspended until they know the results of their negotiations with the French. There seems little doubt that they are seeking in this way to squeeze the French into a quick settlement for they know that the French are extremely anxious not to upset the provisions of the Geneva Agreement. At the same time the timetable on which they insist serves as a means of stalling for time.

It is still uncertain, therefore, whether there will be consultations in July. There seems to be very little tendency here among Vietnamese or foreigners to assume that this is a problem which should concern the Commission or the Commission powers and both the United States Ambassador and Counsellor have confidently confirmed my impression that the South Vietnamese do not want the Commission to intervene in any way. Several of the French here and in Hanoi have argued that the Commission should take an initiative, not on the grounds that such a role was assigned to the Commission but because they are desperately anxious that somebody should do something.

My conclusion from all I have heard is that we should be even more reluctant than we have been in the past to be drawn into the matter of electoral consultations. The United States, United Kingdom and France are taking a most active interest in the question and I do not see what we should contribute. Furthermore the "political situation" here is one of bewildering complexity, and the international aspects, particularly relations between France and the United States are extremely delicate and highly inflammable. We can best serve for the time being by plugging away steadily at the supervisory job assigned to us by helping to hold the ring in which the great powers fight this one out. If the Indians insist on getting into the ring, we might consider letting them do so on their own.

602.

DEA/50052-F-40

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

TELEGRAM 394

New Delhi, June 14, 1955

CONFIDENTIAL. IMPORTANT.

Reference: Your telegram No. 385 of June 10th.†
Repeat Hanoi No. 86.

ELECTIONS IN VIETNAM

1. When we called on Dutt this afternoon he handed us an aide-mémoire dated today June 14th which we reproduce below. This aide-mémoire sets forth the views of the Government of India on the question of elections in Vietnam. Dutt told us that similar aide-mémoires will be given to the Poles and to the two co-chairmen presumably through their representatives in Delhi since Middleton, Acting High Commissioner for the United Kingdom, is calling on Dutt tomorrow morning to receive the aide-mémoire. In a subsequent telegram Holmes plans to report on the meeting with Dutt this afternoon and to offer comments on the aide-mémoire. Text begins:

1. The military phase of the implementation of the Geneva Agreement on the cessation of hostilities in Vietnam having been concluded, it remains now to give attention to the question of general elections which will bring about the unification of Vietnam.

2. Paragraph seven of the final Declaration of the Geneva Conference mentions that "so far as Vietnam is concerned the settlement of political problems effected on the basis of respect for the principles of independence, unity and territorial integrity shall permit the Vietnamese people to enjoy fundamental freedoms guaranteed by democratic institutions established as a result of free general elections by secret ballot". According to the time schedule fixed in this paragraph consultations are to be held from July 1955 onwards between the competent representative authorities of the two zones on the subject of holding general elections in July 1956.

3. Under Article 14 (a) of the Geneva Agreement on the cessation of hostilities in Vietnam "pending the general elections which will bring about the unification of Vietnam the conduct of civil administration in each regrouping zone shall be in the hands of the party whose forces are to be regrouped there in virtue of the present agreement". Accordingly the civil administration in North Vietnam was pending the general elections to be with the Democratic Republic of Vietnam and in South Vietnam with the French Union. Subsequently however the French Union transferred their sovereign authority in the southern zone to the State of Vietnam. The representative authorities of the two zones between whom consultations are to be held are therefore the Democratic Republic of Vietnam which is responsible for civil administration in North Vietnam and in virtue of Article 27 the State of Vietnam which has taken over the civil administration in South Vietnam from the French authorities.

4. The date on which these consultations are to commence (July 20th) is not far off and if paragraph seven of the final Declaration of the Geneva Powers is to be implemented, expeditious steps have to be taken to ensure that such consultations do take place on and from

the appointed date. The implementation of the Geneva Agreement, particularly as non-implementation of paragraph seven of the declaration, must be a matter of vital interest to those who subscribed to the final declaration at Geneva. It is also of interest to Canada, Poland and India who as supervisory countries on the International Commission are associated with the implementation of paragraph seven of the Geneva Declaration involves the risk of reversion to a state of war between the parties through breakdown of the main structure of the Geneva settlement.

5. Having regard (to the?) relations between the parties and the circumstances prevailing in Vietnam it appears to the Government of India that consultations may not take place without some initiative being taken by the two co-chairmen. The Government of India therefore feel that the co-chairmen should request the authorities in charge of the Democratic Republic of Vietnam and the State of Vietnam to start consultations. To facilitate such consultations they may further offer the parties the services of the three delegates on the International Supervisory Commission in Vietnam. The delegates will act not as members of the Commission but as individuals representing their respective governments and their task will be to assist the parties:

(i) To convene a conference of competent representative authorities of the two sides for interzonal consultations and to assist in the preparation and approval of the agenda—and

(ii) To elect a chairman either from among themselves or from outside to preside over the deliberations of the consultative conference. The delegates from the Supervisory Commission will withdraw from the conference after the agenda has been settled and a chairman has been chosen to preside over the deliberations.

6. The chairman agreed upon by the parties will act both as conciliator and as technical expert on the essentials of a free election by secret ballot and will assist the parties to come to agreed conclusions as regards the principles and procedure which would ensure free and fair general elections by secret ballot. The agreed modalities of the elections can thereafter be worked out and adopted by the authorities in each of the two zones as the law in force for the time being to regulate elections. Thereafter the Electoral Commission envisaged in paragraph seven of the Geneva Declaration will be set up to supervise the elections in accordance with the agreed principles and procedure.

7. The Government of India would request the two co-chairmen to address the authorities in charge of the Democratic Republic of Vietnam and the State of Vietnam on the lines indicated in paragraphs five and six above. They are informing the Governments of Canada and Poland that they are making this request with an expression of their hope that the Governments of Canada and Poland would agree with the procedure outlined herein. The Government of India trust that the Government of Canada will agree with the procedure indicated in this aide-mémoire. Text ends.

2. You will presumably in due course let us have your comments on this aide-mémoire for transmission to Dutt.

[B.M.] WILLIAMS
for High Commissioner

603.

DEA/50052-F-40

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

TELEGRAM 405

New Delhi, June 15, 1955

CONFIDENTIAL. IMMEDIATE.

Repeat Hanoi No. 88; London No. 15; Paris.

Following from Holmes, Begins: The principal feature of my discussions with Dutt and Jha on Vietnam was their presentation of the aide-mémoire on election consultations text of which is contained in Delhi's telegram No. 394 of June 14. Dutt stressed the extent to which they had moved from their original point of view to meet ours. I did not commit you but said it seemed to me that they had indeed incorporated many features of our memorandum²⁵ and we were grateful for their consideration. It is important I think to realize that the Indians consider they have virtually adopted our views and will naturally be upset if we are overly critical. They would undoubtedly like to have our private views as soon as possible.

2. On the question of a neutral chairman Dutt spoke of a Swede or Swiss or Burmese. There was no hint that they might be thinking of an Indian. They seemed anxious lest we be offended at the idea of a single mediator but I said you had reacted not unfavourably when I had reported a similar suggestion from Desai.

3. Dutt was anxious to explain the procedure by which they were passing this memorandum direct to the co-chairman without seeking Canadian and Polish consent. They were doing this because of the urgency fearing that time would be lost if the matter had to be referred to Ottawa and Warsaw. It was clear that they were not commenting or speaking for the Poles or ourselves or on behalf of the Commission and if we had any views we could pass them direct to the co-chairman. I raised no objection as it seemed to me that although there may be theoretical objection to such a procedure it had practical merits. It will save time and it will keep the Commission out of the question.

4. As for the general talk on Vietnam I shall report on my return. I was impressed by what seemed to me a more sympathetic attitude to the Diem Government than hitherto. When I spoke frankly of the unpopularity of the Commission in Saigon and the need to win the confidence of the South Vietnamese Government if members of the Commission were to be of any help in the election, Dutt said they were aware of this necessity.

5. I told them a fair amount of what I had learned of the intentions of the South Vietnamese and drew their attention to the fact that if Diem secured a status-of-forces agreement by which the Vietnamese take over the High Command, the Commission would be faced with a dilemma. We were hardly likely to oppose such a move but the question would arise as to whether the Vietnamese would be willing to take over the function of the French vis-à-vis the Commission and accept the Geneva Agreements. Ends.

²⁵ Voir/See Document 590.

604.

DEA/50052-F-40

*Le secrétaire d'État aux Affaires extérieures
au haut-commissaire au Royaume-Uni*

*Secretary of State for External Affairs
to High Commissioner in United Kingdom*

TELEGRAM 995

Ottawa, June 18, 1955

CONFIDENTIAL. IMMEDIATE.

Reference: Your telegram No. 878 of June 17.†

Repeat New Delhi No. 401, Paris No. 368; Washington EX-1119; Hanoi No. 257; Saigon No. 48.

VIETNAM ELECTIONS

Our initial reaction to the Indian aide-mémoire is gratification that the Indians have gone as far as they have to meet our views on this matter. We are particularly pleased to note that the proposals do not call for the establishment of the elections commission until the modalities of the elections have been agreed upon between the parties.

2. Although we have some doubts about the arrangements suggested in paragraph 5 of the Indian aide-mémoire, we believe that we could probably express these reservations in terms of observations on the interpretation of this paragraph. We would naturally assume that the statement "To facilitate such consultations (the co-chairmen) may further offer the parties the services of the three delegates on the International Supervisory Commission in Vietnam" is permissive only, and that the Co-chairmen would as a matter of wisdom not offer these services formally if they had discovered through informal enquiries that the arrangements suggested were not acceptable to both the parties. The same would apply to the arrangements suggested in paragraph 6.

3. As to the substance of the arrangements, we are doubtful about the wisdom of having the Commissioners themselves perform even the limited functions assigned to them in paragraph 5, and would prefer that the way be left open to the Commission Governments to appoint some representative other than the Commissioner to perform these functions should they wish to do so. Also we are rather concerned about the prospect of these representatives assisting in the preparation and approval of the agenda, since this could become a very contentious matter.

4. Our preliminary view is that we should inform the Indians that we have no special comments we would like to make on the substance of their paper, but that we would hesitate to agree that the services of a Canadian representative should be offered until we can learn informally that the arrangements proposed by the Indians are acceptable to both the parties.

5. The next move is, of course, up to the United Kingdom, and they are in the best position to judge what use should be made of the Indian proposals in any discussions they will be having with the Diem Government. We think it might be of some advantage to the British in their discussions to be able to show the South Vietnamese the sort of proposals that have been put forward and which are in the hands of the Russians and presumably available to the DR, and to be able to point out that these proposals are probably more acceptable than any that might be put forward by the Poles or the DR themselves.

6. We are repeating to you telegram No. WA-1002 of June 16 from Washington,† indicating initial State Department reaction to the press reports of the much more accommodating attitude of Diem towards the idea of consultations.

605.

DEA/50052-A-40

*Le commissaire de la Commission internationale de surveillance
pour le Vietnam
au secrétaire d'État aux Affaires extérieures*

*Commissioner, International Supervisory Commission for Vietnam,
to Secretary of State for External Affairs*

DESPATCH 341

Hanoi, July 4, 1955

SECRET

Reference: Our Despatch No. 67 of 7 February 1955.

FUTURE OF THE INTERNATIONAL COMMISSION
PART A — THE FIRST 300 DAYS

In this report — (Part A) — I intend to review the extent to which the Commission has so far succeeded or failed in the fulfilment of its obligations under the Agreement. In a separate report — (Part B) — I will examine against this background what may lie in the future, both in respect of the specific remaining tasks of the Commission and with regard to the more intangible political problems which it will face in the coming months.

2. The Geneva Agreement read in conjunction with the Final Declaration takes cognizance of three periods of time; each with its own distinctive features and purpose, yet each linked with the others to form a continuous chain expected to lead to the holding of general elections and the eventual unification of Vietnam.

3. During the first period, which ended on May 18, the main concern was meant to be the keeping of peace, by separating the forces of the two parties into zones assigned to them on either side of a demilitarized buffer area. The other provisions of the armistice — for exchanging prisoners of war and civilian internees, for facilitating freedom of movement, for preventing reprisals, and for controlling the import of war material and troops — taken with the provision for the regroupment of forces, form a logical pattern for establishing and maintaining a status quo as a pre-requisite to the search for a political solution to the division between North and South. All of these provisions were to have been well in hand by May 18.

4. The purpose of the second period, starting on that date seems to have been to allow the parties a breathing spell in which to organize themselves for the commencement on July 20, 1955, of inter-zonal political consultations. These consultations are to be carried on during the third period, from July 20, 1955 onwards and are envisaged as resulting in the holding of free general elections throughout North and South Vietnam.

5. Any assessment of the Commission's work must, of course be set against the knowledge that responsibility for implementation of the Agreement lies with the parties, and the parties alone. The Commission has no executive powers, and in the performance of its tasks it has had to rely to a great extent on the co-operation extended to it by the parties under Article 25.

6. Looking back on the first period taken as a whole, I think the Commission has done some useful work. Initial administrative problems were rapidly solved during the installation of the three delegations in Hanoi and Saigon. Fixed teams were established at all sites envisaged in the Agreement (some of them belatedly) and more than 100 mobile teams or mobile elements of fixed teams have been employed from time to time on Commission tasks of reconnaissance, control and special investigation.

Regroupment of Forces

7. The long and complicated operations to remove the forces of the two sides into their respective allotted zones and to effect the peaceful and orderly transfer of the provisional regroupment areas — the last of which were the Haiphong Perimeter and Interzone V in the region of Qui Nhon — were successfully completed without incident by May 18. The Commission was undoubtedly of considerable assistance to the parties in working out the basis of these operations and in firmly supervising their execution. It is estimated that during this period approximately 126,000 French Union Forces were regrouped while, on the PAVN side, regroupment involved 173,900 troops and 86,000 additional persons made up of military families, administrative cadres, and liberated prisoners of war.

Import of War Material and Personnel

8. At least some measure of control of the import of war materials and personnel has been continuously effected by the Fixed Teams since their establishment as laid down in the Agreement. The first two at Lang Son and Saigon were in operation on 8 September 1954 and the last by 15 December 1954. Control of the Chinese border as provided for by the Geneva Agreement left some gaps. It has been necessary, therefore, to recommend the relocation of the Lang Son Team at Dong Dang and to station a mobile team at Cao Bang to cover the main roads by which major equipment might enter North Viet-Nam. So far the DRVN have not notified the Commission of any imports or exports and none has been observed by the teams. However there was a period of six months when it must be admitted that control was incomplete and major quantities might well have entered during that time. In the South all import and export of war material reported by the French has been through the port of Saigon where a system of control by check of manifests and by periodic spot checks of equipment being loaded and unloaded has been established. For the future these methods should make it difficult, if not impossible, to import major items of equipment but it is manifestly impossible to stop smuggling by jungle trails or across open beaches if either party decides to resort to such measures for the import of war materials in man pack or animal pack loads.

Control of Airfields

9. Airports situated at Fixed Teams sites have been controlled since the establishment of the teams but no additional airfields have been checked up to the present time. Recently as a result of a French request a list of existing airfields has been drawn up and arrangements have been made for the Air Advisers to check their present condition and to assess the need for the institution of control. No airfield improvement has been observed at any location visited in North Viet Nam. Improvements in the South have been confined to those necessary to meet the needs of the French Air Force as their forces were withdrawn from the North and re-deployed. While it is possible that war material has been introduced by air, we have no evidence of it, or complaints by either party, and we think it unlikely that such importation has taken place.

Military Bases

10. The Agreement is not specific as to what constitutes the establishment of a new military base and no agreed interpretation of this has been arrived at by the Joint Commission or the Commission. In the North there has been no visible build-up of base facilities in any area to which we have access but it should be borne in mind that the most probable location (which is the area of Thai Nguyen North of Hanoi) has never been visited by teams of the Commission. It is believed that whatever base or bases the Viet Minh had established during the fighting were located in this area. So presumably any build-up of existing bases in this area would be within the terms of the Geneva Agreement. In the South the French have expanded base facilities in Tourane area and in the area Baria-Cap St. Jacques. This expansion has been necessitated by the evacuation of troops from the North and is considered to be in keeping with the Agreement.

Prisoners of War

11. There has been progress with respect to the prisoners of war question which loomed so large in the first months of the Commission's work. Under pressure from the Commission, the French had by the end of October 1954 released or handed over approximately 9,000 prisoners and the DRVN something more than 12,000. No further exchange of prisoners has since taken place. You will have seen from our Paris Embassy despatch No. 1001 of May 25† that the French Government has declared that it is not aware of any violation of the Geneva Agreement at this time in respect of prisoners of war and has drawn public attention to Mr. Desai's statement of March 29 that no prisoners of war are being retained against their will by either side.

12. There is, however, a continuing problem which arises from the fact that neither side is completely satisfied with the information it has received from the other about the fate of a number of persons listed as missing and presumed to have been prisoners. A large volume of correspondence, consisting of letters from the parties and of copies of their letters to each other is still being received by the Commission in respect of this matter. According to a French plan recently sent to the Commission to show the position as of June 1, the French had up to that time asked the PAVN for information concerning 28,915 persons while the PAVN had inquired about 13,370. At that time the French had replied to 71% of PAVN inquiries, while the latter, with a sudden rush of correspondence in the recent weeks, had replied to 90% of French requests. The point in this latter figure is that 71% of the replies supplied by the PAVN have alleged simply that the persons in question are "unknown". The French decline to accept this as an adequate reply and are apparently anxious, for both legal and humanitarian reasons, to establish the fate of about 6,605 French and African soldiers and some 12,949 Vietnamese soldiers still listed as missing.

13. The true position with respect to prisoners of war has been confused to a certain extent by the fact that the parties have held differing views as to the relationship of the limited number of so-called "ralliés" to Article 21. The Commission has agreed that the article does not apply to deserters, i.e. a person who deserted to the other side and was not taken into captivity as a prisoner of war. In practice, non-Vietnamese "ralliés" who have expressed a desire to be repatriated have been dealt with in a manner generally acceptable to the two sides and which the Commission had assisted them to work out. In accordance with this procedure, some 1,000 persons of non-Vietnamese origin falling within the category of "ralliés" have been handed over to the French or repatriated to their country of origin through China after passing under the observation of Commission teams.

Civilian Internees

14. By the end of October 1954, the Commission had succeeded in persuading the parties to release the bulk of the political and civilian internees held by them. On that date the French had released or handed over some 59,000 such internees and the PAVN approximately 6,000.

15. Complaints from both parties of continued incarceration or irregular release of internees have since been investigated by the Commission. The only investigation conducted at French request was that of a camp alleged to exist at Yem Luong. Such a camp was found not to be there. The PAVN have laid greater stress than the French on the question of civilian internees. As a result of PAVN complaints, Commission teams have been engaged in lengthy investigations at Poulo Condore and Chi Hoa prisons, where the extreme delays and difficulties encountered have seriously impeded their work.

Democratic Liberties

16. The question of the illegal incarceration of civilian is, of course, related closely to the question of reprisals under Article 14(c). So far this article has been used by the PAVN with most damaging effect against French and Southern authorities in respect of incidents which occurred at the end of last year when a number of murders, beatings and other atrocities undoubtedly occurred. In most of the cases investigated by the Commission as a result of PAVN complaints, violations of 14(c) have been found and the FUF have been held technically responsible. While aware of the difficulties the French have had in locating guilty parties months after the crimes have taken place, and when there is an atmosphere of tense antipathy between the French and the South Vietnamese authorities in many areas of the South, the Commission has pressed the French to take action to punish those responsible for these violations in accordance with Article 22.

17. It is a singular fact that, in spite of the totalitarian methods employed in the North as in every Communist country, the French have yet to present the Commission with a well-founded charge of a violation of Article 14(c) by the Northern authorities. For its part, the North has worked with some success to balance the PAVN failure to implement freedom of movement against the shortcomings in the South with respect to 14(c). In addition, the Polish delegate has on occasion made much of what he has described as the general absence of law and order in large areas of the South, which has meant, he has asserted, that from time to time conditions necessary for the implementation of the Agreement generally have not in fact prevailed. Presumably, the main reason why he has laboured this theme is that he has been documenting for future reference, if required, evidence that the Southern Government is neither popular nor effective and that democratic liberties cannot be enjoyed under its authority.

18. The Commission deserves some credit for the impartial and objective manner in which it has conducted its investigations into and discussions of the difficult cases arising under Article 14(c). This has done much to reduce the threat of increased friction between the parties presented by PAVN emphasis on these cases.

Freedom of Movement

19. The sustained and frequently frustrating efforts of the Commission under Article 14(d) and deliberate failure of the PAVN to implement fully its obligations to assist those who wished to go to the South are well known to you. The Commission has been subjected to a good deal of criticism in the world press and other quarters for its alleged failure to ensure the full implementation of this article. It should be remembered that the seed of the difficulty in respect of Article 14(d) is inherent in the text of the article itself which states

in the French version that the parties have a duty to "autoriser et aider" persons wishing to change their zones. The fact that "autoriser" was interpreted to mean "to grant a permit to" placed in the hands of the DR the means of impeding the free movement of refugees to the South. The initial determination of the DR to obstruct this movement by most means short of force was increased at an early stage when it became known that large numbers of people were anxious to change their zone. In the later stages of the 300-day period I am personally convinced that even force was used for this purpose, while the co-operation received from local authorities, upon whom so much of the practical implementation of the Commission's suggestions had of necessity to depend, was far from satisfactory.

20. It is, however, to the Commission's credit that in spite of the handicaps placed upon it and in spite of the obstruction encountered in the North, some 930,000 people are estimated to have gone South by one means or another, some with permits, most without. In the effort which has been made, and the results accomplished by the Commission, the Canadian Delegation, including the members of the teams on freedom of movement surveys, has shown both initiative and persistence.

Summary

21. On balance, I think it is fair to conclude that a substantial degree of success has so far been achieved by the Commission during the period under review. At least, there has been no renewal of hostilities, and the chances of such a renewal occurring are a good deal more remote now than when the Commission first arrived. Much of the credit for the progress made is due to the generally sensible and sensitive manner in which Mr. Desai has carried out his onerous duties as Chairman. There is no doubt that his neutralist background and Indian political objectives have influenced his judgment. As a master of the art of compromise he has succeeded in preserving throughout this period a technical unanimity in the decisions of the Commission and has skilfully avoided a single formal majority-minority decision. The Canadian Delegation considers that his record on freedom of movement and control of the importation of war material for example, has not been all that we desired or were entitled to expect. We have found it difficult to adjust ourselves to the tempo and complacency of the Asiatic attitude, and to the subtlety of the Indian mind. But in agreeing to compromises so frequently and adroitly devised by Mr. Desai following our deadlocks with the Poles, we have endeavoured to maintain our attitude of refusing to depart from our own ideas of what is just and proper. While bearing in mind the basic objective of the Armistice Agreement for the period under review, we have, I believe, refused to sacrifice any of our principles, and we have not failed to speak out against practices which we considered improper or unjust.

22. Despite the assumption by the Polish Ambassador of an attitude of judicial impartiality in the Commission, there is no doubt that the Polish Delegation has been working in close co-operation with the PAVN to obtain advantages for the North. It may not be inappropriate to say that had it not been for the Canadian Delegation, the record of the Polish Delegation — from the point of view of Communist objectives — would read far better than it does.

23. In my view, therefore, all members of the Canadian Delegation can take some pride in the tasks they have carried out during the critical regroupment period of the Agreement.

SHERWOOD LETT

606.

DEA/50052-A-40

*Le commissaire de la Commission internationale de surveillance
pour le Vietnam
au secrétaire d'État aux Affaires extérieures*

*Commissioner, International Supervisory Commission for Vietnam,
to Secretary of State for External Affairs*

DESPATCH 342

Hanoi, July 4, 1955

SECRET

FUTURE OF THE INTERNATIONAL COMMISSION
PART B — WHAT LIES AHEAD

In my despatch no. 341 of today's date, I have sought to assess the measure of success and of failure of the Commission during the 300-day period of military regroupment and transfer. In this report I intend to review briefly the outstanding specific tasks for which the Commission will continue to be responsible during the interim or middle period, and possibly even after July 20, and to attempt an assessment of the more intangible political problems on which attention will be mainly focussed during the coming months.

2. Despite the measure of success achieved during the first 300 day, there are a number of specific problems which have inevitably carried over after May 18, either because of the continuing responsibility for them laid down by the Agreement, or because special arrangements have been made, as in the case of freedom of movement, for continued action by the parties with the participation of the Commission. The consequence is that during the "breathing space" foreseen, neither the Commission nor the parties will be able to breathe as easily as anticipated, and the way forward is anything but certain.

3. In the first 300 days, the Commission was mainly conscious of the need to prevent a resumption of hostilities, which might have resulted from a general breakdown in the implementation of the Agreement during the difficult phase when the forces of the two sides were being separated and regrouped. No formal attention was given by the Commission during this period to the political issues ahead.

The Continuing Tasks

4. During the middle or "breathing space" period, it seems clear that the Commission will wish to carry out its continuing responsibilities in such a way as not to diminish the possibility that the two sides will come peacefully together to enter into consultations concerning their mutual political problems. The following are the more important continuing responsibilities of the Commission which will be carried out with this in mind:

- (a) Control under Articles 16 and 17
- (b) Study and implementation of measures to ensure that no new military bases will be established—Articles 18 and 19
- (c) Supervision of the demilitarized zone and demarcation line - Article 36(d)
- (d) Continued interest in the residual problems of prisoners of war and civilian internees—Article 21
- (e) Responsibilities with respect to Article 14(c)
- (f) Responsibilities with respect to subversion—Article 14(a)

(g) Supervision of the continuing measures for facilitating freedom of movement—Article 14(d), including a follow-up of petitioners

(h) Possible consideration of what role, if any, the Commission is to play with respect to elections.

Control of Military Bases

5. From my despatch under reference, you will have noted that the whole question of control, both of border areas and of the demilitarized zone, airport and coastal regions not within the zones of action of fixed teams, is not entirely satisfactory. It seems clear that the Commission will continue to seek improvement in this situation and the most effective employment of its teams. The Commission, too, will undoubtedly be calling upon the parties for renewed efforts to resolve the question of defining military bases. Because of the unsatisfactory nature of the control now possible, it seems likely that the Commission will be required from time to time to consider allegations that one or other of the parties is violating the prohibitions on the import of war materials and fresh troops and the establishment of military bases.

Demarcation Line

6. The completion of the military regroupment has increased the urgency of instituting control within the demilitarized zone so as to ensure its effectiveness, not only as a buffer between the forces, but also as an obstacle to the introduction of subversive elements from one zone to another. Slack control along the demarcation line could not fail to assist the D.R. in subversive activities. The danger of incidents cannot be discounted. We should, therefore, continue to press for the maximum degree of Commission control in this area.

Prisoners of War and Civilian Internees

7. The Commission has been pressing forward procedures for dealing with the question of the disposition of so-called "ralliés" as well as procedures for handling the general prisoner of war question with the co-operation of the parties. Once the general definition and procedures have been accepted by the two parties, the solution of individual cases should not present too great difficulties. The Commission will also be required to deal with allegations concerning detention and release of civilian internees in violation of Article 21. The Canadian attitude in respect of the continuing work on problems relating to prisoners of war and civilian internees should continue to be based on humanitarian considerations and practical solutions. On the other hand, the emphasis the PAVN is putting on charges of this kind smacks of propaganda, and we shall urge the Commission not to place itself in a position of aiding one or other of the parties in its campaign to discredit the other by rumour and false allegations. I think the Indian Chairman will be with me in this.

Democratic Liberties

8. There are indications that the PAVN, with the help of the Polish Delegate, will try to derive the utmost possible advantage out of the less than perfect record of the South in respect of Article 14(c). It should, however, now be possible to avoid the worst effects of this tactic. In the first place, and most importantly, the Indian Chairman is determined (and I, of course, support him wholeheartedly) not to allow the Commission to become embroiled in further useless investigations under this article, where the events alleged to have taken place are so old that the trail to be followed by an investigation has grown cold. The results of the Commission's intervention in such cases would almost certainly be inconclusive and, therefore, only of use to the North for propaganda purposes.

9. Secondly, the Commission has recently decided not to attempt to formulate a definition of "democratic liberties" within the meaning of Article 14(c), as the Polish Ambassador has repeatedly requested. It has limited itself to ad hoc interpretations of this Article along restrictive lines so as to cover only those persons against whom reprisals may have been taken for acts occurring before the end of hostilities. Those liberties which will be required to pertain in both zones as a pre-requisite for general elections will presumably be the subject of negotiations and specific definition between the parties once the interzonal consultations take place.

Subversion

10. In the meantime, the Government in each zone, and this is mostly important for the Southern authorities, is left free to take action against persons suspected of subversive activities. Subversion by an active organization controlled from the North is something against which the French have complained for a long time, and a Commission team has been investigating along these lines in Quang Tri Province. This is the first such investigation, as it is the first time that a Commission team has been asked to look into both charge (violation of Articles 21 and 14(c) by the south) and counter-charge (subversion practised by the North). Unfortunately, the team reports so far received only record evidence of the former and the charges of subversion, (on which it is far more difficult to obtain evidence) have not been substantiated.

11. It seems unlikely that it will be possible to show either in Quang Tri or in any other area investigated by the Commission that the PAVN is directly responsible for subversive activities. The best we can hope for is that some evidence will be uncovered that individuals are engaged in subversion in the South.

12. I have no doubt however that such activities are controlled from the North and that they will undoubtedly continue and increase up to the moment when the general elections are held. The tempo of Southern complaints will probably also increase, and the Commission's attention will be bound to be engaged in this field. Whenever there is sufficient evidence, we should try to expose subversion for what it is, and to place responsibility for it on the North. I am not too hopeful, however, that we can count on much support from the Indian Delegation here, and the Polish Delegation will spare no effort to defend the interests of the D.R.

Freedom of Movement

13. Because the implementation of Article 14(d) was not completed by May 18, freedom of movement will continue to occupy the attention of the Commission in this middle period. Without a formal amendment of the Agreement, special arrangements have been made through agreement of the parties, and on the basis of suggestions made by the Commission, for the continuation of measures to permit people to exercise their right of option up to July 20. It is impossible to say how effective this period of extension will be, but we are not sanguine that any great exodus will take place from North to South. Apart from obstructions and hindrances enforced by the Viet Minh, and the difficulties encountered by our teams in carrying out objective investigations, it is difficult, if not impossible, to agree upon a reliable test of how well or badly Article 14(d) of the Agreement has been carried out, since success cannot be measured in mathematical terms. On the whole, while there is much to be said for Mr. Desai's view that the real test must be the judgment of the parties themselves as "consumers", the Canadian Delegation cannot without good reason abandon its responsibilities in this matter, and we are awaiting your comments on the Canadian position at the end of the present period of extension. If, on July 20, the French and the South Vietnamese are prepared to forego a castigation of the D.R. on the ground that to do

so would postpone electoral consultations, it may be difficult for Canada to take up a position "plus royaliste que le roi".

14. Our real difficulty has been to sustain active interest in the implementation of Article 14(d) in the middle period when the main preoccupation of the Indian Chairman (and of the Polish representative) is to avoid any aggravation of the relations between the parties in the interest of their coming together for electoral consultations.

15. Both the French Liaison Mission and we ourselves have reserved the right to discuss after July 20 what continuing measures we might consider to be required at that time. I am not at all sure, however, that this will be fruitful, since the Polish delegate has strongly indicated his view that the Commission would have no competence to discuss the continued implementation of Article 14(d) after July 20 and the Chairman seemed to favour this stand. In the Polish view, the whole question of movement across the 17th parallel should be absorbed in the political consultations expected to begin on that date, and the Commission should not interfere with what will then be essentially a matter for agreement between the two sides. There are indications that the Indian Delegation may take a similar view.

16. In practice, I am inclined to think one of the two things will happen. On the one hand, the parties may refuse to deal with one another, thus spelling the end of freedom of movement, whatever the Commission might decide. On the other hand, they may have indicated by July 20, or soon thereafter, that they are prepared to consult together. In this event, there is a faint possibility that some such general proposal for opening the 17th parallel to free movement as that advanced by the PAVN on February 4, and since pressed with considerable vigour by the North, may be examined by the parties. It is difficult to imagine, especially in the light of the Polish stand in the Commission, that the PAVN could be persuaded to deal with freedom of movement, in any other way after July 20. Accordingly, what the Commission's responsibilities and activities will be in respect of this matter after that date, it is impossible now to foresee.

17. From the above, it will be obvious that there will be no dearth of work for the Commission during this middle period. There has been some slackening of the pace during Mr. Desai's absence, and it is to be hoped that this will be reflected in a reduction of the tension between the parties before July 20, in conformity with the apparent intention of the Agreement.

After July 20

18. July 20 is used in the report only as a general marker. Obviously, important activities will not necessarily cease, nor drastic changes occur immediately on that date. Nevertheless, the situation may alter so profoundly some time after that date that the member Governments of the Commission, and certainly Canada, may be compelled to take a hard look at the nature of their continuing responsibilities.

19. In one sense, the final period has already begun, with the initiative taken by the D.R. on June 6 to declare its determination, to proceed with the electoral consultations at that time, with a definite view to holding general elections for all Vietnam in 1956. We may be sure that the D.R. will not rest until the victory in 1954 of Dien Bien Phu is matched by what they are confident will be victory in 1956 at the polls throughout Vietnam. Mr. Pham Van Dong, the Foreign Minister, repeatedly refers to "the two great victories of Dien Bien Phu and the Geneva Agreements". Steady pressure therefore may be expected from the North for the full implementation of the political provisions of the Agreement. So far the Commission has merely noted the Declaration of June 6, a copy of which was sent to it for information by the PAVN Liaison Mission.

20. In the South, the situation is far from clear. The Diem Government has been giving first priority to subduing the sects and to attempts to strengthen its general position in the zone under its authority. Throughout the South, since the signature of the Armistice Agreement, there has been a marked lack of agreement between the Diem Government and its potential supporters, particularly the French, and to a lesser extent the United States. The attitude of South Vietnam toward electoral consultations is still obscure. Although there has been much pressure on the Diem Government to ready itself for the stage of inter-zonal consultations, it is now too late for the South to "seize the initiative". In the light of this, it may be worthwhile to speculate on the possibilities on or about July 20.

21. In the first place, it is possible that the south will not in fact be ready, and that consultations will not in fact be held on or soon after this date, despite the insistence of the D.R. In this event, we may look for renewed pressure by the D.R. for the "full implementation" of the Agreement. In our view, the possibility of an actual renewal of hostilities, although it cannot be entirely discounted, is remote. A decision to move against the South by military means would not be taken by General Giap, but by Moscow and Peking. In the present state of international relations, with the prospect of limited understandings with the Communists in other areas of tension, and of a four-power meeting at a high level, it seems improbable that such a decision would be taken, at least for the time being.

22. There are, on the other hand, measures short of war, and the Communists are expert at them. We can look to a continuation of infiltration and subversion in addition to a general stepping up of the propaganda campaign against "the American interventionists and their puppet Diem". There will be renewed charges of violations of the Geneva Agreement, and of alleged attempts to sabotage it by the Americans. It is not unreasonable to anticipate that those governments which support the D.R. would lend their active support and assistance to the continued international pressure for pre-election consultations. If the South does not seem to be prepared to yield to these pressures, the most likely result would be a substantial increase in tension throughout this area, as a result of an all-out effort to overcome South Vietnam by non-military means.

23. In circumstances such as these, the Commission's role would become greatly circumscribed, since the basis of agreement between parties, which is essential for the effective operation of the Agreement and of the Commission's tasks, would have disappeared. It may therefore be said that, if electoral consultations are not held, and if there is no intention on the part of the South to enter into them, the effectiveness of the Commission will be weakened to a point where its continued attempts to fulfil its responsibilities would have only dubious results. It would then be for decision whether the Commission (or Canada) would wish to stay on indefinitely policing what would be virtually a cease-fire situation analogous to that in Kashmir.

24. On the other hand, if electoral consultations begin not too long after July 20 and the South expresses its readiness to discuss the basic conditions for free elections in Vietnam, the position might be substantially different. The Viet Minh has not yet shown its hand, beyond a general insistence that consultations and elections should be held. Nevertheless, given the dominant role which they exert throughout the whole of the D.R. territory, and the strong position which their sympathizers occupy in various areas in the South — particularly those which have been under D.R. occupation for some time — there is little doubt that the mood of the Viet Minh is one of confidence. For this reason, the North is likely to be prepared, at least on paper, and possibly also in fact, to accept electoral arrangements which may surprise the world in their apparent liberality. If they are confident, as I believe they are, that the results of general elections will be favourable to their cause, their most likely tactic will be either to propose or to agree to arrangements for all

Vietnam elections, which will incorporate what they hope will be conditions acceptable to and defensible before free world opinion.

25. The position of the South in the event that consultations are held is not yet determined. If we assume that the influence of the United States on the eventual policy of the Diem Government is likely to be powerful, and I believe this is a fair assumption, the final position to be taken by the South will no doubt reflect the thinking of the United States, which was explained in your telegram WA-833 of May 20.† This thinking places emphasis on the determination of prior conditions for free elections, in the expectation that the existence of the conditions for genuinely free elections could not possibly be accepted by the Viet Minh. If this should be the position after July 20, the South is not likely to contribute to a rapid termination of the consultations in an agreed blueprint for a programme of national elections.

26. What seems likely is that following formal statements of principle and of basic conditions, the negotiations will be protracted, tedious and propagandistic. This period of probing each other's position may be one of danger also, from the point of view of peace in Vietnam. The danger, however, will be less than if such consultations were not held at all, since despite the fact that propagandistic measures may be taken, the conduct of negotiations, if conducted under proper auspices, will provide an organized forum for the presentation of opposing points of view, and processes of discussion and argument will be available to reduce, or at least to prevent, the increase of tension. Although presumably itself having no direct part to play in respect of these discussions, the present Commission will be guided in all its actions by the necessity of helping to ease tension, generally, as much as possible.

27. No one can yet say with certainty what will develop, nor how quickly after July 20 it may become possible to estimate with any degree of accuracy the long-term future of the present Commission. There is, however, no doubt that July 20 will usher in a difficult period for the Commission and for Canada, whichever way the die may be cast in respect of election consultations. All of us will be called upon to apply our calmest and best judgment continuously, not only so that we shall know how best to anticipate sudden and unexpected developments, but also so that we may clearly recognize in good time the danger signals. In this situation, you will wish to weigh carefully whether or not it will be to Canada's advantage to participate directly in the supervision of a type of election in Vietnam, the results of which may not be acceptable to the western world, and which at some stage prior to its being held, certain powers may feel it in the general interest of world peace to prevent.

28. Underlying the basic difficulty about electoral consultations is the fact that up to the present time the Government of the State of Vietnam has not accepted the obligations imposed on the parties by the Geneva Agreement, and no understanding has been arrived at between the French and South Vietnamese as to the succession foreseen in Article 27 of the Agreement. As a consequence, the Commission will increasingly face the difficulty that the French High Command is not in fact the effective authority in the South, and the real decisions rest with the South Vietnamese. If it appears that the South Vietnamese authorities are not prepared to assume the responsibilities of this succession, the operation of the Agreement and the effective carrying out of the tasks of the Commission will become progressively unworkable.

SHERWOOD LETT

607.

DEA/50052-A-40

*Le commissaire de la Commission internationale de surveillance
pour le Vietnam
au secrétaire d'État aux Affaires extérieures*
*Commissioner, International Supervisory Commission for Vietnam,
to Secretary of State for External Affairs*

TELEGRAM 338

Hanoi, July 5, 1955

SECRET. MOST IMMEDIATE.

Reference: Our telegram No. 323 of June 25.

FREEDOM OF MOVEMENT

The Commission has received from its Saigon office a copy of the letter addressed to the Saigon office by the French Liaison Mission there concerning the present position of the South Vietnamese Government with respect to the extension of the right of option to go and live in the other zone. This letter states that, as no discussions have yet been held in the Joint Commission about the guarantees originally claimed by the Vietnamese Government in order to ensure that the exercise of the right of option was more efficacious, permits are not at present being issued to people who apply to go and live in the other zone.

2. This letter will be considered in the Commission today. In view of the origin of this letter, it will be necessary, as I see it, for the Commission, in the first instance, to obtain clarification about the situation in the South from General de Beaufort. We understand from private discussions with FL Mission here that they had hesitated to pass this important communication to the Commission in view of the present impasse with respect to operation of certain teams in the South.

3. We have been in touch informally with General de Beaufort and put to him directly question whether French were planning to ask Commission to undertake further general surveys by mobile teams (on general lines of those of teams 54, 55 and 56), and if not, whether he thought it advisable for us to consider making such a proposal in the Commission. He replied in the negative to both questions. The French Liaison Mission at this stage could hardly ask for teams in the North when investigations in the South had been blocked for months (he referred particularly to teams 61 and 24). In the light of present attitude of South with respect to team investigations in general, and the particular view South Vietnamese had taken (as reported in this telegram) concerning grant of permits for people wishing to go North, it was doubtful whether the South would accept team investigations. At the same time, difficulties experienced in getting teams out in the South would place DR on strong ground in resisting mobile team investigations on freedom of movement in the North. General de Beaufort further said that assuming teams could be placed on the ground, such general surveys in the North would be unlikely to produce useful result in view of techniques perfected for concealing evidence. For these reasons, French do not plan at this stage to make such a request to the Commission.

4. For the same reasons de Beaufort was inclined to think an initiative on the part of Canadian delegation to send out teams might run into difficulties. So far as direct consultations between parties in the Joint Commission were concerned, these had produced little or no result. De Beaufort hoped, however, that in limited period remaining Commission could make some progress on restricted front on settlement of 'residual problems', including fol-

lowing up cases of petitioners, right of option for political and common law prisoners, and of persons jailed for 15(d) offenses.

5. General Dhargalkar in discussion yesterday stated that he is opposed to the Commission embarking on general mobile team surveys on freedom of movement and favours calling in parties for reports on progress in their direct discussions, on what action they have taken to date to implement the Commission's suggestions, and what further action they propose to take between now and July 20, he considers that there is no point in sending out teams unless a specific complaint is put forward by one of the parties.

6. Commission today agreed that as first step, parties should appear before it and explain past and present action to implement Commission's recommendations, plans for remaining period and development in Joint Commission. In the light of report from the two parties, Commission will then have to determine what further action is open to it. As you are aware, under para 4 of the Commission's suggestions of 28 May, the Commission stated it would continue to supervise the completion of the task by the two parties during the continuing period. When progress report and future plans, if any, have been received from parties, Commission can consider whether or not it would be useful to conduct further general mobile team investigations on freedom of movement in the period prior to July 20. In the light of the developments in Saigon, reported in this telegram, the latest views expressed to us by the French Liaison Mission, and the position of the acting chairman (see para five above) which is, I believe, shared by the Pole, proposals for general mobile team investigations on the Commission's own initiative are unlikely to be put forward unless we do so ourselves. On balance, our present delegation thinking is that it might be unwise on our part to press for general team surveys, on two main grounds, (1) that such surveys will not assist us to prove that a continuing problem exists in the North, and, (2) that a request for surveys of this type will only highlight the present uncooperative attitude of the South Vietnamese. The fact that the Commission does not undertake further mobile team investigations may possibly prove difficult to explain publicly. As we (see it?) however, it does not preclude our right, if we wish to exercise it, of registering in the Commission a general assessment of the operation on freedom of movement based on the position up to May 18 and the limited results obtained between May 18 and July 20.

7. Before finally determining our stand, however, and as requested in my telegram No. 323 of June 25 grateful for our instructions soonest by DWS on general lines this delegation should take to enable us to carry out our Commission responsibilities on July 20.

[SHERWOOD] LETT

608.

DEA/50052-A-40

*Note du sous-secrétaire d'État adjoint aux Affaires extérieures
pour le secrétaire d'État aux Affaires extérieures*

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

SECRET

[Ottawa], July 11, 1955

PROSPECTS IN INDOCHINA

The following are a few considerations which I have been turning over since my return from Indochina. You may find these of some interest if you are involved in discussions on Indochinese questions in London, Paris or possibly Geneva.

2. It seems to me almost certain that we shall be faced in the coming months with critical and difficult decisions about our role in Vietnam. The situation within the past week has become particularly worrying and, as you know, is a cause of concern to the Commissioner in Hanoi. It seemed to me serious enough when I left Saigon. At that time I saw the possibilities facing us in the following terms.

3. The I.S.C. has completed almost a year of work on which we should look with considerable satisfaction. The highly publicized difficulties over freedom of movement should not obscure the fact that what was considered in Geneva to be the major preoccupation of the Commission, i.e., supervision of the regroupment of forces, has been singularly successful. To a large extent because of the work of the Commission, the peace has not been disturbed. The Commission, however, is faced in the coming year with a much less satisfactory agenda.

4. The situation on the principal items seems to me as follows:

(a) *Regroupment of Forces*. This — the work which the Commission has done most satisfactorily — is completed;

(b) *Freedom of Movement*. It seems almost certain that, not only because of Communist obstruction but also because of South Vietnamese reluctance, there will be very little — if any — movement of refugees under Commission supervision after July 20. This issue, at any rate, will probably be twisted by the Poles into a plea for opening the 17th parallel and may well, therefore, become a subject on which the Vietminh will appear not as the violators but as the upholders of the Geneva principles.

(c) *Supervision of Frontiers*. While the Communists exploit, although not particularly successfully, certain issues concerning movements of arms into South Vietnam and among the three Indochinese states, the situation on the Chinese border remains unsatisfactory. My impression, after talking to a good many Canadian officers who had served on the Northern border, is that although there may be a certain amount of traffic in small arms or vital parts there is probably no serious²⁶ violation of the Agreement by the Chinese.²⁷ The officers seemed to agree that, although the presence of the teams undoubtedly had a deterrent effect, it would be quite possible for the Communists to move considerable quantities of small arms (which are probably what they need) if they really wanted to. The tentative conclusion to which I came was that there had not been much traffic because there was no particular need for it. The Communists are not building up the Vietminh army for active fighting at this point and it would serve their purpose quite well to prepare on the Chinese side of the border for any assistance which might later be necessary. (As you are aware, in spite of the frequent public charges from Washington of violation on the Northern border on a large scale, the Americans have never been able to produce for us through regular or through intelligence channels any valid evidence of such traffic since the time the Commission's teams were established on the frontier last autumn.)

(d) *Democratic Liberties*. There has been an increasing volume of complaints in the Commission against the South Vietnamese authorities, and we should expect that these will continue to increase. The Vietminh have naturally been anxious to counter charges of their violating 14(d) with accusations that the South was violating 14(c). A good many of these charges against the South are true and could not be honestly opposed by the Canadian Commissioner. Whereas in the North there is a calculated and organized repudiation of

²⁶ Pearson a rayé le mot « serious » pour le remplacer par le mot « wholesale ».

Pearson crossed out "serious" and replaced it with "wholesale".

²⁷ Note marginale :/Marginal note:

isn't traffic in "vital" parts a serious violation [L.B. Pearson]

democratic liberties, these violations in the South are undoubtedly the result of an anarchical situation, the inevitable passions resulting from years of civil war, the activities of the Sects, and probably also the authoritarian tendency of Diem's government. (Whether Diem is something approaching a fascist dictator, as some of the French allege or whether he is merely a strong man doing what is necessary in a turbulent situation, as the Americans think, is a matter of dispute.)

5. The prospects, therefore, are that the Commission will be less and less involved in work which it can do usefully and more and more involved in work which is frustrating and unsatisfactory like the control of the Northern border. It will be more and more involved, furthermore, in work in which the South rather than the North appear in a bad light. They may be swamped with charges under 14(c) against the South, but it is hardly to be expected that many people in the North will be able or willing to prefer charges against the D.R. and give evidence against them.

6. The effect of such a situation on the morale of Canadians, particularly the army officers in the field, needs to be considered. Already many officers, particularly those who have been involved in the disheartening task of trying to liberate refugees in the North, are fed-up and a little bitter. Some of them are critical of the Commission and even of Canadian policy in the Commission. Even more disheartened are those who sit at fixed teams where there is practically nothing to do. The intelligence, the patience and the general morale of the Canadian officers in Indochina is something of which we can be extremely proud. Nevertheless, it will be difficult for them to sit out another year unless they have some feeling of accomplishment. The next group will be more comfortable than the first, but they will not have that sense of adventure and achievement which kept up the spirit of the troops for at least the first six months. It is difficult for men who have been isolated and working on specific tasks to understand all the time that their greatest contribution to peace comes from their simply being on the spot. I have no reason to believe that the next crop of army officers will be any less patient and well disciplined than the first, but, if they are not achieving much apparent success, there will undoubtedly be pressure — and quite justifiably so — to move them to other countries where they are very much needed.

7. All in all, it looks as if we may be faced before long with a situation resembling that which you foresaw in public statements from the beginning. It will be difficult for the general public, for the teams on the spot or for ourselves to point to any concrete accomplishment of the Commission — or more particularly of the Canadian component. In fact, we shall have to ask ourselves whether the Commission is not serving the Communist cause by concealing Northern violations and proving charges against the South. We may well expect that such a charge will be made by South Vietnamese and by Americans. The Americans have never adequately appreciated what the Commission has done to keep the peace and they may not be reluctant to ask for its disbandment. The process might be quite similar to that followed in Korea. Washington might be expected to argue that the Commission is allowing Chinese reinforcement to the North but prohibiting American assistance to the South and must, therefore, be ended. They would plead with us, as they have with the Swiss and the Swedes over Korea, to break up the Commission by withdrawing from it. The British, French and Indians on the other hand might be expected to plead with us to remain; and we shall be in a serious dilemma.

8. Our decision would have to take into consideration the very serious effect of withdrawal. In reaching any such decision we must keep our eyes steadily fixed on the fact that our real contribution in Indochina cannot be judged primarily by our success on any specific item of the agenda. The real contribution is in our being there. There could be no replacement for us on the Commission, and without us, therefore, there could be no Com-

mission. Without a Commission there could be no Geneva Agreement. To break up this framework of peace, however distasteful some of its aspects, would be an extremely serious step. We might, therefore, have to stand firm against serious internal and external pressures.

9. Our decision should depend, to a great extent, on whether the Geneva framework is still holding or whether there is a possibility of maintaining peace on any other basis. It may be that by that time, as a result of the meetings at the Summit, the whole context of the armistice in Indochina will have changed. It is conceivable, although not very easily, that on orders from Moscow the Vietminh will begin to behave differently. In such a situation the Commission could, it might be assumed, accomplish more, but it might well be embarrassed by reluctance and intransigence on the part of the South. On the other hand, if the new meetings at Geneva are not very successful, there may be a retreat in other directions. There may be a new reliance on SEATO, combined with a policy of retreating from the Geneva Agreement, strengthening the Southern régime, and accepting partition as the less dangerous alternative. In the latter situation it is hard to see how the Commission could play a useful role. With South Vietnam turned into an American-backed satellite and with no prospect of free elections, the Commission would receive little co-operation from either side and its position would become untenable.

10. Another possibility is that the South Vietnamese and the Americans will seek to transfer the case to the realms of the U.N. In principle there is, of course, a good deal to be said for this course. It is possible that if the U.N. were to sponsor the cause of South Vietnam independence, the Communists might be more reluctant to subvert it. Such a course is, however, incompatible with a continuance of the Geneva Agreement and the I.S.C. unless, as seems unlikely, the Communists agreed to the reference to the U.N., in which case one might get what amounted simply to a U.N. blessing of the Geneva structure and not very much change in the situation. The Geneva structure was the result of a hard and unpleasant bargain, but, because it was accepted by both sides, it has kept the peace. There is no possibility of the U.N. against Communist opposition achieving the same result. In fact, therefore, the policy of reference to the U.N. would amount to the same thing as the retreat to SEATO. The U.N. might send a Peace Observation Commission, which could be useful in the unpleasant circumstances, but it could not perform the functions of the present I.S.C. In either of the above circumstances, therefore, the Commission would be by-passed and useless.

11. Whether the South Vietnamese and the Americans clearly understand that they cannot have the Commission much longer unless they accept all the provisions of the Geneva Agreement is a matter of doubt.

12. If the prospects for the Commission looked hazardous two weeks ago, they look much worse now as a result of South Vietnamese statements and threatened statements about elections. It seemed to me that I noticed a dangerous tendency among South Vietnamese and Americans in Vietnam to say that there could not be free elections, therefore, the South Vietnamese need do nothing about these provisions in the Geneva Agreement and that was that. Such a course may prove necessary, but it is most imprudent to contemplate it without seriously weighing all the consequences. One of these consequences is the withdrawal of the I.S.C. or at least its decline into total incompetence. I did try to pin down at various times Ministers in the Government and a number of Americans to considering in detail the consequences of a violation of the Agreement on elections, although I had to be careful never to appear to be urging the South Vietnamese to do one thing or the other before July 20. It seemed to me that they did not take the prospect seriously enough or had not given it enough thought at all, although the British and French certainly did.

Few people expected that the D.R. would march across the 17th parallel, but the best informed were certain that they would give the signal to their underground forces in the South to start their campaign of infiltration and subversion in ways which might prove quickly irresistible.

13. If Vietnam policy develops further in this direction then I see little prospect of the Commission being continued successfully. It may not be disbanded but it would have no influence on either party. It is already receiving much less than satisfactory co-operation from the South. (One of the problems facing the Commission regardless of other developments is the increasing unreality of a situation in which it deals with the D.R. and the French but not with the South Vietnamese. The French have been on the whole as co-operative — although terribly inefficient — as it was possible for them to be, but the fact that they cannot speak for the South or secure compliance from the South makes their position absurd.) The North Vietnamese have, in spite of their behaviour on many issues, been well disposed in principle towards the Commission and have certainly given it better facilities than the South. However, they have done so for one purpose only: to them the Commission is an instrument for securing free elections which they will win. When the prospect of peaceful free elections fades, they can hardly be expected to co-operate with the Commission — unless, of course, they follow the even more embarrassing policy of the sweetest reasonableness to the Commission in order to encourage us to stay and to prove that the South are in the wrong.

14. In spite of all these arguments which seem to lead to the conclusion that the South Vietnamese should carry out the terms of the Agreement on elections next year, we must face certain brute facts. It is here, I think, that the British and the French rather than the Americans may be refusing to look at the realities under the formula. There is a basic paradox in the present situation about which we ought not to kid ourselves any longer. The paradox is this: It is of the greatest importance that peace be maintained in Indochina by maintaining the structure established at Geneva. This structure can be maintained only if the provisions concerning free elections are carried out. However, there cannot be elections next year which could reasonably be called free by Asian, European or by any other standards than those of the Soviet Union. It is not a question of the modalities. The North might provide absolutely secret balloting and the other customs of democratic polling booths. They might even allow opposition parties to campaign. However, you cannot have free elections in an unfree atmosphere. Balloting might be secret but campaigning must be open. It is not conceivable that many people in the North, even if they were encouraged by the Government to do so and offered guarantees against persecution, would come out into the open and take a stand.

15. (Superficial impressions may not be reliable, but I was certainly shocked by the Muscovite atmosphere in Hanoi, and even in Haiphong, which I visited only a few days after the transfer. These were the same banners and slogans, the portraits, the mass demonstration on Uncle Ho's birthday, the children dressed like Soviet pioneers marching and chanting all day through the streets, the drab shops and the guards with bayonets everywhere. It was, in fact, much closer to the Moscow of the Twenties or middle Forties than to the more "liberal" Moscow of to-day. I am not at all sure either that the 50,000 people who assembled at the race-track to shout for Ho on his 60th birthday would want to vote against him even if they were perfectly free to do so; they seemed to be having the time of their lives.)

16. It may be possible to see a ray of hope if one does not take too rigid a view of the kind of elections in 1956. Anything like uniform, national, free elections for a legislative assembly or even for a constitutional assembly must not be seriously considered as a possi-

bility. There are possibilities, however, of finding some formula which would allow the two governments to continue in power but provide some kind of federal council or planning body to work towards unification. This might not be strictly in accordance with the Geneva Agreement but it would presumably be acceptable if the parties could agree to it. I found that the Indians and the French in particular were thinking along federal lines or at least looking for practical solutions based on a more flexible attitude towards the electoral provisions. Neither side at the moment seems likely to accept any such thing, but it is just conceivable that they might start looking together for a formula if as a result of the new Geneva meetings they were pressed by their sponsors to do so.

17. Whether or not there can be found any way of carrying out the electoral provisions in 1956, there is a great deal to be said for the argument that consultations should be undertaken. Even if the prospects of finding a formula are very slim, there is an argument for postponing a show-down on the Geneva Agreement for some months at least. This, I found, the most persuasive argument which the French put to me on any subject in Indochina, or in Paris. The best of them, who were also, I think, the more influential, said that they hoped that the Diem régime might strengthen its basis enough in a few months' time to stand on its feet. Diem could not at this stage face a show-down with the Vietminh, given the infinite possibility of infiltration and the ability of the D.R. to exploit the problems with the Sects. If Diem could only be persuaded to maintain the Geneva framework and the bulwark of the International Commission for as long as possible he might be in a better position for a crisis.

18. There is, however, in this position also a danger of delusion which we ought to face. The Americans and others maintain that they are urging Diem to fulfil the terms of the Geneva Agreement by entering into consultation. I did my best to persuade the Indians of the honesty of the Americans' intention in this regard. The Americans unfortunately talk too much to make their position convincing. Various spokesmen have made it perfectly clear to the Indians and others that they are urging Diem into consultations in perfect confidence that the holding of free elections will be frustrated in other ways. On the other hand, it is difficult to quarrel with the argument that if in the course of consultations the North are the ones who make unreasonable demands the blame should be squarely placed on them. Much depends on the way this position is stated. It is tactless to announce in advance that failure will be the result of the consultation and that this is a source of satisfaction. If one recognizes that the suspicions, not only of the Communists but also of Indians and other Asians, of the American role in Indochina arise out of the equivocal and fundamentally irresponsible position the U.S. has adopted towards the Geneva Agreement, it is not surprising that American intentions concerning elections are not generally trusted. Their position, however, if approached and defined honestly, is not inconsistent with the Geneva provisions. It may not, however, make adequate provision for the possibility that the North will offer impeccable paper guarantees which can be rejected only by a charge of bad faith that cannot be proved in advance.

19. Although this memorandum has been concerned entirely with Vietnam, the unity of the Geneva Agreements is becoming more and more clear. For example, I am now almost convinced, and I found such Indians as Desai and Dutt sharing the same suspicion, that the Vietminh are maintaining the Pathet Lao stake in Northern Laos as a hostage pending agreements on elections in Vietnam. The conflict over the Military Aid Agreement in Cambodia is understandable only in terms of the strategic concept on which the whole Geneva settlement was erected. If the Geneva framework collapses in Vietnam, it cannot be maintained in Laos and Cambodia. Chou En-Lai's tacit agreement last June to leave the two Western Indochinese states in the neutralist block was conditional in his mind upon

fulfilment of the provisions for Vietnam. So we must take for granted that if the Commission ceases to operate effectively in Vietnam the Commissions in the two other countries cannot survive for long.

J.W. HOLMES

609.

DEA/50052-A-40

*Le secrétaire d'État aux Affaires extérieures
au commissaire de la Commission internationale de surveillance
pour le Vietnam*

*Secretary of State for External Affairs
to Commissioner, International Supervisory Commission for Vietnam*

TELEGRAM 300

Ottawa, July 11, 1955

SECRET. IMMEDIATE.

Reference: Your telegram No. 323 of June 25† and No. 338 of July 5.
Repeat London No. 1120.

FREEDOM OF MOVEMENT

There appear to be two aspects of this question on which decisions as to our future course of action are required: (1) whether you should support or propose further survey investigations by mobile teams to ascertain the present situation with respect to freedom of movement; and (2) what steps should be taken to have our position with respect to the concluding phase of the freedom of movement problem written into the record and publicized.

2. On the former question it does not seem possible to take a definitive decision as to the line to be followed until the parties have made their reports to the Commission. I am impressed with the arguments you mention against our pressing for any further team surveys of a general kind. At the same time I believe we should consider carefully before abandoning our well established position in favour of an active role for the Commission particularly in the making of investigations on this question. In public statements here we have emphasized the value of these investigations while admitting their limitations, and it might be difficult to explain our abandonment of this approach for reasons that are irrelevant to the freedom of movement question itself. I agree that a request for surveys may highlight the uncooperative attitude of the South Vietnamese, but I see no particular harm in this and believe that we should not soft-pedal any justifiable criticism of the South on the issue of freedom for the teams to investigate, which is vital to the whole function of the International Commission. I agree that a further survey may not produce the sort of evidence we would like to get and that the inability of further surveys to produce such evidence might make the maintenance of previous charges against the DR the more difficult, but we may have to take that risk. I would welcome your further comments on these points.

3. In any case the issue may be partly determined by the nature of the reports made to the Commission by the parties. Although the representations which the French make to the Commission on their own or on behalf of the South Vietnamese may not specifically request a general survey by mobile teams, they might be of a kind that would suggest the desirability of such a survey, and in this circumstance failure on our part to propose mobile team investigations of a general type might prove embarrassing to us.

4. On the second question, the pressure of public opinion at the present time on the Government for more information on the freedom of movement question is not as strong as it was two months ago, and there is not the same public interest. My statement in the House of Commons on May 2 and the supplementary statements to the External Affairs Committee did a good deal to satisfy public and parliamentary curiosity, and there is no indication at the present time that the public demand for more detailed information concerning the freedom of movement question is likely to become strong again in the near future.²⁸ At the same time we must recognize that the interest shown in this matter was not merely a passing one and that Canadians will have a continuing desire to see justice done and the terms of the agreement carried out. Accordingly the Government must be in a position to make an acceptable explanation of the status of the freedom of movement question and the position which Canada has taken in relation to it. At the present time it appears that what is likely to be needed is not so much a catalogue of Viet Minh misdeeds as a clear statement of our policy on this matter and an indication in general terms of the record of our attempts to have this policy adopted by the Commission. Such a statement could when necessary be referred to and quoted in justification of our role on the Commission and possibly at a later stage if in the electoral preparations it is necessary for us to take a stand with respect to safeguards for free elections.

5. The general line of a Canadian statement might be as follows:

Since the beginning of its work in Vietnam the International Commission has been gravely concerned with the freedom of movement issue. Repeated efforts have been made by the Commission to see to it that the provisions of Article 14(d) were properly carried out, and numerous and detailed recommendations were made on administrative procedures which would (it was hoped) ensure that the intent of the agreement on this subject could be carried out. The record of performance has, however, been disappointing both in the 300-day period and during the subsequent extension. Reports of the parties as to what was achieved during the extended period do not indicate that the problem with respect to freedom of movement, in the dimensions as assessed by the mobile teams which completed their general surveys early in April, has been solved during the extended period. So far as the Canadian delegation is concerned, it appears that the reason for the inadequate implementation of the terms of Article 14(d) lies not so much in the inadequacy of the administrative arrangements provided as in the general atmosphere which has existed since the beginning particularly in North Vietnam, an atmosphere which has to a considerable extent cut across all efforts to make the provisions of Article 14(d) work in practice. The Commission took note of this situation in its press release of February 13 when it alluded to the fact that rumours and fears current amongst the population had tended to make them reluctant to apply to the authorities for the permits and facilities required in order to exercise their rights under Article 14(d). The Canadian delegation believes that the continued existence of these fears and rumours in North Vietnam has been largely responsible in that zone for the unsatisfactory implementation of the freedom of movement provisions. These fears and rumours and the general atmosphere of suspicion and distrust referred to in paragraph 22 of the second interim report to which these fears and rumours are related have been

²⁸ Voir Canada, Chambre des Communes, *Débats*, 1955, volume 3, pp. 3564-3567, et Canada, Chambre des Communes, Comité permanent des Affaires extérieures, *Procès-verbaux et Témoignages*, N° 13, le 24 et 25 mai, 1955, pp. 11-12, et 15-20.

See Canada, House of Commons, *Debates*, 1955, Volume 3, pp. 3388-3390, and Canada, House of Commons, Standing Committee on External Affairs, *Minutes of Proceedings and Evidence*, No. 13, May 24 and 25, 1955, pp. 538-539 and 542-547.

and — unless removed — will continue to be a serious impediment to the satisfactory implementation of the cease fire agreement, particularly in those articles which deal with civil matters.

6. The general argument of the foregoing could be used in three contexts: (a) as a Canadian statement for incorporating in the Commission minutes when the Commission is winding up its current efforts to deal with the freedom of movement question shortly after July 20; (b) in any press release issued by the Commission at that time recording its actions with respect to the freedom of movement issue; and (c) in the next interim report of the Commission. I presume there should be no difficulty in getting the statement into the Commission records. I believe that you should insist on getting some record of the Canadian view along the above lines into any contemplated press release or in the fourth interim report.

7. If the general argument of the foregoing could be written into some Commission document which the Indians at least would agree to, so much the better; but I do not think we should accept any watering down unless our own minority view is supplied separately. Certainly we should oppose very firmly any Commission statement which says or implies that the freedom of movement question has been adequately cleared up or that the DR have carried out their obligations.

8. It would appear that there is not much more we can hope to achieve in the immediate future insofar as the practical objective (of enabling as many people as possible who wish to do so to get out of North Vietnam) is concerned. I do not believe, however, that we should give the appearance of throwing in our hand at this point, and you should do everything possible to ensure that in the final assessment by the Commission of the freedom of movement question around July 20, the matter is left open in some fashion or subject to later Commission review. It is also important that our position be recorded before the Commission adjourns its dealings on the matter. You will be in the best position to judge the proper time for recording any statement along the lines suggested above. You should, of course, feel free to add to the statement any further material which may serve to support the general argument or abbreviate it where the context of its use requires something shorter.²⁹

[L.B.] PEARSON

²⁹ Une déclaration formulée « in slightly stronger terms » a été faite à la Commission le 16 juillet. Voir Hanoi à Ottawa, télégramme N° 369 du 18 juillet 1955, MAE/50052-A-40.
A statement "in slightly stronger terms" was made to the Commission on July 16. See Hanoi to Ottawa, Telegram No. 369, July 18, 1955, DEA/50052-A-40.

610.

DEA/50052-F-40

*Le commissaire de la Commission internationale de surveillance
pour le Vietnam
au secrétaire d'État aux Affaires extérieures*
*Commissioner, International Supervisory Commission for Vietnam,
to Secretary of State for External Affairs*

TELEGRAM 368

Hanoi, July 18, 1955

CONFIDENTIAL. IMPORTANT.

Reference: Preceding telegram.†

PROPOSED CANADIAN STATEMENT ON ELECTIONS

Following is the text of the draft proposed statement commented on in my telegram No. 366, Begins: I would first point out that there is no substantive provision in the cease-fire agreement for Vietnam which relates either to the actual holding of elections, or the preliminary consultation to be entered into between the State of Vietnam and the Democratic Republic of Vietnam. Indeed, the only reference to elections to be found in the agreement is contained in Article 14(a), and that reference is merely incorporated to establish the point up to which the civil administration of each zone shall be conducted by the respective parties. There is, accordingly, nothing in the agreement itself which imposes any duty upon this Commission regarding preliminary consultations. It may be urged that this does not dispose of the question, and that this Commission must have regard to the final declaration, and in particular to the second paragraph of point 7. This paragraph, as you know, states in part that "consultations will be held between the competent representative authorities of the two zones from the 20th July onwards." The first question that arises is whether the final declaration creates binding legal obligations on the signatories. In our opinion the final declaration was not intended to do so. Rather, it falls into the class of those international instruments that are in the nature of statements of policy rather than instruments intended to lay down legal rights and obligations. While failure to carry out an undertaking contained in the final declaration would be a breach of good faith, this is quite different from a breach of a legal obligation. The role of this Commission is of course limited to supervising the execution of the agreement by the parties. This means that the responsibility of this Commission extends only to those provisions of the final declaration that are substantively embodied in the agreement itself and does not extend to supervising the execution of the various declarations. I should not be understood as saying that the final declaration is to be disregarded in determining what the duties and responsibilities of this Commission are. On the contrary the final declaration is considered by the Canadian delegation as containing important statements of policy which may, and often should, be referred to in construing any doubtful or ambiguous article of the agreement. There is a further consideration that arises in assessing the effect of the final declaration. Certain reservations regarding it were made by the representatives of the State of Vietnam during the final sessions of the Geneva Conference. Their precise effect is obscure and any question as to the legal right of the State of Vietnam to refuse to implement any of the provisions of the final declaration can only be resolved in the light of these reservations. We believe that only the governments that participate in the Geneva Conference are competent to decide the exact effect of the reservations. If I may recapitulate, the Commission must consider the following points. First, the role of the Commission is limited to the tasks imposed on it

by the agreement and the agreement itself imposes no duty to initiate or supervise the discussions between the parties on the question of general elections. Second, the final declaration, in our view, did not create legally binding obligations upon the signatories. Third, the extent to which the final declaration created moral obligations upon the State of Vietnam can not be determined except by the governments participating in the Geneva Conference, since the Government of Vietnam made certain reservations to the declaration.

Having said this in explanation of the Canadian view of the legal position, I must emphasize the importance Canada attaches to the declarations as considered statements of policy which the participating governments are obligated to carry out as a matter of good faith, though not of legal obligation. Short of regarding the final declaration as a treaty relationship and the individual declarations as amounting to unilateral assumptions of enforceable legal obligations, we consider these instruments should be given their just weight and that default by the participating governments in carrying out the terms of these declarations might constitute a breach of faith.

In view of the foregoing, the Canadian delegation is of the opinion that as matters now stand, the Commission would be unwise, and indeed would be acting without legal justification, if it were to take any action to see that the consultations are actually begun or to supervise or in any other way concern itself with such consultations as may take place. Circumstances would, of course, be changed should the Commission receive a request or an invitation to intervene for the Geneva powers with the agreement of the two sides. While we believe that it would be unwise for the Commission to project itself prematurely into the question of pre-electoral consultations, if there is a helpful role which the Geneva powers and both sides feel might usefully be played by all or one of the Commission Governments, I believe that my government would be prepared to give the matter careful consideration.³⁰ Ends.

[SHERWOOD] LETT

611.

DEA/50052-A-40

*Le commissaire de la Commission internationale de surveillance
pour le Vietnam
au secrétaire d'État aux Affaires extérieures
Commissioner, International Supervisory Commission for Vietnam,
to Secretary of State for External Affairs*

TELEGRAM 371

Hanoi, July 18, 1955

CONFIDENTIAL

Reference: Your telegram 300 of July 11 and 316 of July 15.†

FREEDOM OF MOVEMENT

1. There are three principal aspects to problem:

³⁰ Cette déclaration a été approuvée par la Direction juridique du Ministère. Voir Ottawa à Hanoi, télégramme N° 342 du 17 juillet 1955, MAE/50052-F-40. Bien qu'il n'ait pas été remis, le Ministère a estimé que ce projet de déclaration résumait très bien les vues du Canada et l'a largement diffusé.

This statement was approved by the Department's Legal Division. See Ottawa to Hanoi, Telegram No. 342, July 27, 1955, DEA/50052-F-40. Although it was not delivered, the Department considered this draft statement an important summation of Canadian views and circulated it widely.

- (a) action after July 20 re possible continuation;
- (b) use of mobile teams;
- (c) publicizing Canadian position.

2. On (a) French Liaison Mission have informed us privately French High Command does not propose request further extension after July 20 and consider continuation freedom of movement must be (group corrupt) for general discussion between the North and South Vietnamese. We do not know what South Vietnam attitude will be but assume they will continue exchange general charges with DR rather than seek to achieve practical ends. In light of this, results achieved since May 18 and known Indian and Polish attitude, I see no point in our proposing any further extension. Best we can do at this stage is to try to ensure that the Commission makes a clear statement after July 20 that it will bend its efforts to solve residual problems affecting all those who applied for permits up to July 20 but were not able to move for reasons beyond their control on the same basis as has been done in case of prisoners of war under Article 21. It is unlikely that Commission will agree that there is a general problem which has not been solved which is view we have taken. In this event we should presumably state this fact on a minority basis if necessary. Possibly we might add that only agreement, even on a limited basis, between the parties can provide a solution of this general problem. In so doing we should have to try to avoid any Commission blessing of DR proposal of February 5 which is certain to be resurrected. We might also reserve right of Commission to make investigations after July 20 wherever residual or general problem may be shown to exist. Your comments would be welcomed.

3. On (b) the use of mobile teams, from what we know of Polish and Indian views and fact that the French and South Vietnam authorities have not, repeat not, asked for further mobile teams although they have asked for arbitration of certain procedural points (see paragraph 1 my telegram No. 362 of July 16†) there are real practical and perhaps political difficulties in way of our seeking initiate further freedom of movement surveys at this time. Even if we can succeed in obtaining Commission agreement, which I think is highly doubtful, it is likely that surveys would turn up more damaging evidence of a recent character in the south than in the north if indeed they were able to operate in south. Because of such considerations, please reexamine this problem and advise whether you wish us to propose surveys which we are reluctant to do unless one of parties should require surveys.

4. Finally on publicity I assume you will wish us to press for inclusion statement in fourth interim report on lines of that delivered July 16 if necessary again on a minority basis. This interim report will probably not be prepared until some time in August.

5. You have also referred to possibility of press release on freedom of movement. There would seem to be little prospect with the divided view existing in Commission of an agreed communiqué. The issuance of a 'minority' press release may be desirable but would be a wholly new departure. I should be grateful, therefore, if you would indicate whether you consider we should press for a press communiqué incorporating our minority views in advance of efforts to have these views set forth in a minority statement for inclusion fourth interim report.

6. Mr. Desai will be in Saigon this week and no doubt he will be in a position to give us the up to date views of his government. Meantime appreciate your further comments on (a), (b) and (c). Also look forward with interest to receiving the comments you have sought from the Foreign Office as indicated in your telegram 316.

[SHERWOOD] LETT

612.

DEA/50052-A-40

*Note du sous-secrétaire d'État aux Affaires extérieures
pour le secrétaire d'État aux Affaires extérieures*

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

SECRET

[Ottawa], July 22, 1955

VIETNAM: SAIGON RIOT³¹

We have had only two reports (53† and 54†) from Mr. Lett who will be in Saigon until Saturday, July 23. In the latter telegram Mr. Lett says "Surely you will agree this serious failure on the part of the French and South Vietnamese requires urgent action." He tells us that the Commission has reported to the Geneva Co-Chairmen on the incident and its implications, but we do not yet have any text. He suggests that "Desai will raise with Delhi question of whether continuance of Commission work is possible unless effective security arrangements by South Vietnam are forthcoming." He asks for our comments.

2. I have already informed you that the State Department have sent us an oral message counselling patience. They have since told us that Reinhart has reported from Saigon this morning that the Commissioners are still in an emotional state and appear quite unprepared to accept apologies from Diem without unequivocal assurances of his assumption of obligations under the Geneva Agreement.

3. I think it politically unfeasible to expect to get such clear-cut assurances from Diem. Similarly we can hardly expect the French to move their troops back into Saigon to protect the Commission. A clash between French troops and demonstrators would compound our problems.

4. We are told that Diem will apologize to the Commission and give assurances regarding security, but not under the terms of the Geneva Agreement. The Americans, British and French have all made strong representations to Diem about this stupid attack on Commission personnel.

5. In these circumstances, I think that we should send an urgent telegram to Mr. Lett counselling patience. A proposed message is attached for your consideration.

J. L[ÉGER]

³¹ Des émeutes à grande échelle ont éclaté à Saigon le 20 juillet contre les représentants de la Commission internationale de surveillance pour le Vietnam. La Commission suspendit alors ses travaux et demande des instructions aux deux coprésidents à Genève, étant donné le soutien que les officiels sud-vietnamiens semblaient accorder aux actes de violence.

Large-scale rioting broke out in Saigon on July 20 against representatives of the ICSC for Vietnam. As a result, the Commission suspended its work and requested instructions from the two Geneva Co-Chairmen in view of the apparent support for the violence given by South Vietnamese officials.

613.

DEA/50052-A-40

*Le secrétaire d'État aux Affaires extérieures
au commissaire de la Commission internationale de surveillance
pour le Vietnam*

*Secretary of State for External Affairs
to Commissioner, International Supervisory Commission for Vietnam*

TELEGRAM 64

Ottawa, July 23, 1955

SECRET. MOST IMMEDIATE.

Repeat Hanoi No. 329; London No. 1214; Paris No. 447; New Delhi No. 480; Washington EX-1321.

VIETNAM — SAIGON RIOTING

My telegram 53† instructing you to associate yourself with any protest the Commission intends to make to local authorities indicates the serious view we take of anti-Commission demonstration and pillaging of hotel rooms in Saigon on July 20. We are particularly unhappy about reports of failure of Vietnamese police to try to stop initial attacks and evidence of Government support for demonstrations even though these may have got out of responsible control in actual pillaging of hotels.

2. Nevertheless, I hope it will be possible for the Commission to show as much patience as possible in these difficult circumstances. I fully appreciate that South Vietnam Government have made the position of the Commission very difficult through (a) failure to provide adequate security for mobile teams in north-central Vietnam; (b) refusal to be bound by Geneva settlement and virtual rejection of pre-electoral consultations;³² (c) climaxed by July 20 anti-I.S.C. rioting. We can understand desire of your colleagues and yourself to get a firm commitment from the French and the South Vietnam Government to give the Commission the protection and assistance called for by Article 25 of the Agreement. You will appreciate, however, that the French have had to transfer control over internal security in Vietnam to the Vietnamese Government without getting assurances that the latter will take over French responsibilities under Article 25. This transfer of power was an inevitable and proper development and cannot be reversed in its main stream. It requires, as you know far better than we do, that the Commission take a practical view of the degree of protection it can expect to receive from the French themselves, although the Commission may press the French to work out with the local authorities adequate measures. Further, since the South Vietnam Government did not adhere to the Armistice Agreement or Final Declaration you will appreciate the difficulty in pressing it to give explicit guarantees under the terms of the above Agreement, although it would be quite proper to expect the Government to provide adequate security.

3. Do you not agree, therefore that it would be unrealistic for the Commission to insist on obtaining clear assurances from the French and Vietnamese under Article 25 although we

³² Le 16 juillet 1955, Diem a déclaré que la République du Vietnam n'était pas liée par les accords de Genève et que les conditions propices à la tenue d'élections libres n'existaient pas dans le régime communiste de la République démocratique du Vietnam, au nord.

On July 16, 1955, Diem declared that the Republic of Vietnam was not bound by the Geneva Agreements, and that conditions for free elections did not exist under the Communist Democratic Republic of Vietnam in the north.

would expect the French to recognize their obligations and give assurances that in consultation with the Vietnamese they will do their best to fulfil these commitments.

4. Even though the Commission may not get entirely satisfactory assurances it may have a continuing useful pacifying role to play in Vietnam. If so, this broader view of the Commission role must not be forgotten in the present aggravating circumstances.

5. London, Paris, Delhi and Washington. You may reflect our reactions along the lines outlined above without specifically indicating that these are the instructions that have been sent to Mr. Lett.

[L.B.] PEARSON

614.

DEA/50052-A-40

*Le secrétaire d'État aux Affaires extérieures
au commissaire de la Commission internationale de surveillance
pour le Vietnam*

*Secretary of State for External Affairs
to Commissioner, International Supervisory Commission for Vietnam*

TELEGRAM 328

Ottawa, July 23, 1955

CONFIDENTIAL. IMMEDIATE.

Reference: Your telegrams Nos. 369† and 371 of July 18.

FREEDOM OF MOVEMENT

I think that we should maintain our position along the lines contained in my telegram No. 300 of July 11 to you, and in your statement of July 16 in the Commission. Our main objective should be to maintain continuity in our contention that the freedom of movement problem has not been solved adequately, in spite of the fact that we will probably find ourselves in a minority and that there is perhaps little more of a practical nature to be achieved in the way of securing movement of refugees. In this connection we agree with your statement of July 16 that "it is the duty of the Commission, by whatever means might appear appropriate on and after July 20, to see that the provisions of Article 14(d) are implemented to the satisfaction not only of the parties but of the Commission itself and the real 'consumers'."

2. We do not think that you should put too much emphasis on whether or not the French or South Vietnamese authorities consider further action necessary or desirable, since there seems to have been only a trickle of refugees from the north during the extension period, and therefore little can be known by them of the extent of the continuing problem. Nor do we think that you should be deterred by the lack of reciprocity on the part of the South Vietnamese authorities in further investigations, or the possibility that the Indians and/or the Poles will not support a proposal for further surveys by mobile teams. Finally, we do not think that our basic position should be altered in order to avoid bringing further attention to the shortcomings of the South Vietnamese authorities in investigations during the extension period.

3. We therefore suggest that you should take the following action:

(a) You should request a further extension, for the reasons given in your statement of July 16, despite the fact that we will probably receive no support from the Indian and Polish Commissioners. We agree with your suggestion that you should also seek an undertaking

by the Commission that necessary action will be taken to solve any residual problems affecting persons who applied for permits before July 20 but have not been able to move for reasons beyond their control.

(b) You should request that mobile teams make freedom of movement surveys. We appreciate the difficulties outlined in paragraph 3 of your telegram No. 371 of July 18, but consider that these surveys are essential to the assessment of the size of the remaining problem, and that you should ask for them in the Commission. The cumulative results of these surveys should be most important as additional proof that, despite a series of Commission recommendations, beginning last February, the DR has failed to implement Article 14(d) satisfactorily, not merely in the extension period, but over the whole period that Commission has been in existence.

(c) You should request the filing of an immediate report to the co-chairmen, in order that the Canadian position can be placed clearly on the record. We appreciate that your Indian and Polish colleagues will probably only agree to the inclusion of a statement on the freedom of movement problem in the fourth interim report when it is prepared; however, we feel that such a request on your part constitutes a further necessary clarification of our position. Moreover the U.K. has indicated its readiness to request the Indians to raise the matter in the Commission. We agree that you should press for the inclusion in the special report or failing that the fourth interim report of a statement along the lines of your July 16 statement in the Commission, and, if necessary, again on a minority basis. In the latter case, the evidence produced by the freedom of movement surveys should be used to substantiate a claim that the DR has consistently failed to implement Article 14(d) satisfactorily throughout the existence of the Commission.

(d) With respect to a possible press release we appreciate the difficulty of pressing for one which would probably include a minority view. However, if we accept that our views on the continuing nature of the freedom of movement problem are not likely to be supported by the Indian and Polish Commissioners there is some danger in allowing the end of the extension period to pass without making our position clear to the public. Depending on the outcome of the Commission's discussion of your July 16 statement, we consider that a press release should be made containing our minority view, if necessary, unless it appears that we can get further Commission action on our above requests. If Commission shows no willingness to agree to any of the requests put forward in this paragraph, we must reserve the right to make our views public in some appropriate way if deemed necessary.

[L.B.] PEARSON

615.

DEA/50052-A-40

*Le commissaire de la Commission internationale de surveillance
pour le Vietnam
au secrétaire d'État aux Affaires extérieures*

*Commissioner, International Supervisory Commission for Vietnam,
to Secretary of State for External Affairs*

TELEGRAM 387

Hanoi, July 28, 1955

CONFIDENTIAL

Reference: Your telegram No. 328 of July 23.

FREEDOM OF MOVEMENT

Since the extension period, which coincided with Saigon episode, Commission meeting July 27 provided first occasion discussion freedom of movement since Commissioners July 16 statement. Occasion arose through consideration French Liaison Mission letter which attempted defend position in South (which has been most unsatisfactory, as you will have noted from previous reports) re Article 14(d) during extension period. Pole used occasion to condemn non-cooperation of southern authorities. Chairman proposed reference of whole problem, which has been subject of voluminous and unsatisfactory correspondence and reports from parties, to Freedoms Committee for study and preparation of detailed report on implementation 14(d) up to May 18th and during extension, together with recommendations re action to be taken by Commission. For purpose committees study Chairman said three delegations would be able to use all information at their disposal. Based on Freedoms Committees study, Commission should then give co-chairmen full account action taken re 14(d) by parties in light Commission's recommendations and provide suggestions for future action. Chairman favours early report, by about mid-August, to co-chairmen, which will include an assessment of implementation of 14(d) along with examination of other articles.

2. Chairman remarked similar Committee might do general review of 14(c).

3. We thought it timely, in order to place our views on record and to provide framework committee's report, to follow up July 16 statement with a statement of points set forth in your telegram under reference (for summary of statement see my immediately following telegram†).

4. There was no disposition in Commission, as we had anticipated, to take action on any of our suggestions pending detailed report of Freedoms Committee. We thought, however, that useful purpose would be served by recording our view at outset, and we shall seek to ensure that position is maintained in Committee's study. This will mean a postponement of final Commission action for a fortnight, but in view of incomplete information now available, and complication arising from position in south, we saw no alternative but to accept Chairman's suggestion, reserving our right to raise again the three proposals concerning extension, a special report to co-chairmen, and mobile team surveys.

5. We are under no illusions that these three proposals will be acceptable to other members of Commission, although there was no disagreement with view that Commission would continue to take necessary action to resolve "residual problems" affecting persons who applied for permits before July 20 but have not been able to move for reasons beyond their control.

6. Following our statement the Polish Acting Commissioner Perl declared Polish position unchanged. He understood that 14(d) would no longer apply after July 20 but said other means for people to move would be found. Pole confirmed teams could still examine "residual problems" but declared it was not up to Commission to request an extension.

7. The suggestion of a special report was opposed by Chairman on well-known lines that 14(d) was only one of several articles of the agreement on which co-operation of parties had left much to be desired.

8. We are on [thin?] ground, requesting mobile teams surveys, not only because of fact that real situation very difficult to establish in north, but also because even freedom of movement record in south is now unsatisfactory and that south is virtually certain to refuse to accept Commissions teams for the purpose. Nevertheless, a proposal that teams should be deployed has been made and will be raised again in Freedoms Committee.

9. Under these circumstances, we hope you will agree that providing we maintain a consistent [line?], as we shall seek to do in Freedoms Committee, no further steps can be taken in Commission for the present. We believe it would be premature to propose a communiqué in advance of Commission's study or determination of what can be put forward in fourth interim report.

[S.] RAE

616.

DEA/50052-A-40

*Le commissaire de la Commission internationale de surveillance
pour le Vietnam
au secrétaire d'État aux Affaires extérieures*
*Commissioner, International Supervisory Commission for Vietnam,
to Secretary of State for External Affairs*

TELEGRAM 409

Hanoi, August 7, 1955

CONFIDENTIAL

NEXT COMMISSION REPORT TO CO-CHAIRMEN

It is possible to discern in very rough outline the next report to co-Chairmen. When we raised in Commission on July 27 question of a special report on freedom of movement, Desai proposed Freedoms Committee should prepare detailed report on whole record and assessment of 14(d) to July 20. He has not mentioned to us privately action taken by United Kingdom High Commissioner in Delhi referred to in your telegram No. 345 of July 29,† but it seems possible that his suggestion of preparation of detailed report takes into account United Kingdom request and that Freedoms Committee report (which is now in preparation) may be used as basis (or possibly as supplement) for section of fourth interim report to co-Chairmen on implementation of 14(d). You will appreciate that preliminary drafting of Freedoms Committee report, which may be virtually a Commission "White Paper" on this subject, rests mainly in Indian hands, though we shall do what we can both in Committee and in discussions with Desai to see that it reflects our views as much as possible. Too early to say whether such report should be submitted to co-Chairmen either by itself or part of fourth interim report, since this obviously will depend on our appreciation of its contents. Our impression is that Desai will certainly oppose any attempt to give 14(d) special emphasis, or to produce material which will publicly castigate Democratic Republic without proposing positive solutions.

2. So far as 14(d) section of fourth interim report is concerned, we shall be governed by present instructions, and while aiming at strong Freedoms Committee report, shall register if necessary minority opinion on general lines Canadian July 16th statement.

3. Fourth interim report which will cover period up to August 10 besides dealing with regular areas of work of Commission, will probably spell out in detail the specific tasks joining under agreement, and a requiring co-operation from South Vietnam Government. There will be a section on 14(c) possibly more detailed than hitherto. The difficulties and delays met by mobile teams operating in south, particularly teams 24 and 61, which have had to be withdrawn, will be indicated, and so brought directly to attention of co-Chairman. We think it unlikely that Desai will press for reference to co-Chairmen under third paragraph of Article 43 in connection with hindrances to the investigations in south. We have hitherto opposed such action in Commission on ground that the article has never been

invoked previously, despite obstructions and hindrances in operation of teams in north, (although these are difficult to prove than recent cases of non-cooperation in the south). Desai now appears to have dropped idea of a reference under 43 principally on ground that present need is not to drive parties further apart but to bring them close together.

4. Apart from our interest in 14(d) therefore principal point in next report to co-Chairmen is likely to be position of Commission and its teams in south, and responsibilities of South Vietnam Government, since unless these matters are clarified, Commission will become impotent. We feel we should go a good way with Chairman on this. The regrettable situation facing Commission in south, which shows little or no sign of improving beyond that reported in paragraph 6 of our telegram No. 406 of August 6,[†] suggests matter deserving your consideration. As you know from our telegram No. 381 of July 27,[†] we have been guided in respect of Saigon demonstrations by your telegram No. 329 of July 23. We agree with the implication in your telegram that it would be unrealistic for Commission at this stage to press Government of South Vietnam for explicit guarantees under Geneva Agreement, to which it has not adhered.

5. On the other hand, it is clear that Article 27 gave expression to shared appreciation of fact that a successor authority would be called on to assume responsibilities of one of the parties. In addition, Article 14(a) is frequently invoked by Chairmen, and cannot be ignored. Leaving entirely to one side question of final declaration, pre-election consultations and elections themselves, the plain fact is that if south does not assume responsibilities it is doubtful whether Commission on agreement can continue to work effectively. Having in mind known southern view of agreement, your views would be welcomed regarding steps which might be taken vis-à-vis South Vietnam Government, perhaps by co-Chairmen, to take over in practice necessary responsibilities under cease-fire agreement from French.

6. In private discussion August 6 Desai said his personal view was that question of declaration and of election talks was one thing and South Vietnam might well take its time. But continuance Commission's work and obligations under cease-fire agreement would depend on assumption of responsibilities by South Vietnam. Otherwise we should be wasting our time, and a dangerous situation which north would not tolerate for long would develop.

7. He did not specifically mention Article 27 but I understand that his view is that legal successor obligations is matter between French High Command and South Vietnam Government. Nevertheless, he feels that Commission must draw present unsatisfactory situation to attention of co-Chairmen and request efforts for clear acceptance by South Vietnam Government if need for adequate security and continued facilities for Commission and its teams to permit carrying out remaining tasks under cease-fire agreement.

8. There is the possibility that Pole may seek to include a reference to Pham Van Dong's letters re electoral consultations,³³ but we assume we should resist this in next report on

³³ Le 19 juillet 1955, les représentants de Hanoi ont envoyé des lettres à MM. Bao-Dai et à Ngô Dinh Diêm afin d'exhorter le Vietnam du Sud à commencer les consultations électorales prévues dans les Accords de Genève. Le gouvernement sud-vietnamien a répété, dans une déclaration radiodiffusée le 9 août, qu'il s'opposait à tenir des élections à l'échelle de tout le Vietnam. Voir Cameron, *Viet-Nam Crisis*, p. 383-384 et 388-390.

On July 19, 1955, Hanoi sent letters to Bao Dai and Ngo Dinh Diem, urging South Vietnam to begin the electoral consultations provided for in the Geneva Agreements. The South Vietnam government reiterated its opposition to holding Vietnam-wide elections in a declaration broadcast on August 9. See Cameron, *Viet-Nam Crisis*, pp. 383-384 and 388-390.

grounds that matter is one for direct negotiation of parties and it is not specific concern of Commission.

9. Your early comments would be welcomed.

[S.] RAE

617.

DEA/50052-F-40

*Le commissaire de la Commission internationale de surveillance
pour le Vietnam
au secrétaire d'État aux Affaires extérieures*

*Commissioner, International Supervisory Commission for Vietnam,
to Secretary of State for External Affairs*

TELEGRAM 426

Hanoi, August 13, 1955

CONFIDENTIAL

Reference: My telegram No. 425 of August 11th.†

DIEM'S DECLARATION OF AUGUST 10TH [9TH]

French news bulletin published Hanoi August 11th is devoted principally to round-up, on basis AFP reports, of reaction in various capitals to South Vietnamese Government's declaration of August 10th [9th] on elections. Item reporting on Ottawa comment headed "déception et inquiétude à Ottawa" in my immediately following message.†

2. The same edition of the news bulletin contains summary of written reply given by Ho Chi Minh to AFP correspondent. While reply was evidently prepared before response, if it can be called a response, of August 10th, it is nevertheless an interesting official statement of DR line. This text reads as follows, our own translation "The President made it clear that the Government of DRVN will take all necessary measures and will grant all the indispensable guarantees so that the general elections may be truly free, beginning with the application of democratic freedoms, e.g. freedom of propaganda, of organization and of meeting, freedom of the press, of movement, of speech, etc." In addition, Ho Chi Minh referred to possibility of diminution of international tension, with favourable implications for fate of Vietnam, as result of Geneva conference and current Sino-American discussions at Geneva.

3. Definitive reaction of DR to South Vietnam declaration not yet available. In our own view, Diem's statement is utterly negative and will not only be difficult to explain to world opinion, but may also encourage north to believe that only remaining solution must (groups corrupt) subversion. In present conditions in South it is doubtful that Diem's Government could withstand a concerted and determined campaign of subversion, and equally doubtful that patience of North will prove inexhaustible.

4. Much depends on advice given Diem in coming weeks by United States, United Kingdom, and France. While our own position in Commission, and our view that matter of electoral consultations is one for the sides, would clearly preclude any formal approach, it may be that following arrival of new Commissioner you consider that our influence in Saigon, which is considerable, could be exercised informally to make it clear that a wholly negative policy with respect to the remaining tasks of the Commission and also with respect to electoral consultations must lead to serious difficulties for the South. The Indians do not hesitate to make their own views known to Diem whenever possible, and we can see

no reason why we should not also point out to South Vietnamese authorities what we consider to be the likely consequences of a continued negative attitude on their part.

[S.] RAE

618.

DEA/50052-A-40

*Note du sous-secrétaire d'État aux Affaires extérieures
pour le secrétaire d'État aux Affaires extérieures*

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

CONFIDENTIAL

[Ottawa], August 12, 1955

VIETNAM — OBSTRUCTION OF THE INTERNATIONAL COMMISSION
IN THE SOUTH

You will have observed from telegram 418 of August 8† from Hanoi (copy attached) that the Indian and Polish members of the Commission are pressing hard for Commission action in protest against the obstruction of two of the Commission's teams in South Vietnam which for some months have been unable to complete their tasks because the local authorities cannot guarantee their security in carrying them out. Failing an early improvement in the situation, it is probable that the Poles and Indians may insist upon reference to the Co-Chairmen under Article 43 of the Cease-Fire Agreement, part of which states:

"The International Commission shall inform the members of the Conference in all cases where its activity is being hindered."

2. Since in all cases where the activities of the Commission in North Vietnam have been hindered we have taken a very strong line, we cannot in this instance refuse to go along with the Indians and Poles in a protest against this long-standing case of obstruction to the Commission's work.³⁴

3. The transfer of sovereignty in Vietnam from France to the State of Vietnam has now reached a point where the French are unable any longer to discharge all their responsibilities under the Cease-Fire Agreement without interfering in Vietnamese sovereignty. If the State of Vietnam is unwilling to assume its responsibilities a complete collapse of the Agreement cannot long be forestalled. In view of the seriousness of this situation, I believe we should take advantage of Mr. Johnson's arrival in Saigon to impress upon the South Vietnamese the dangers of the situation which is developing. If you agree with this, I would also propose that we bring the situation to the attention of the United Kingdom and French Governments through our missions in London and Paris, and of the State Department when Mr. Holmes pays his visit next week.

4. The recording of our views on this subject with the South Vietnamese may be particularly helpful at this time since Mr. Johnson learned during his visit to Paris that on August 17 a strong ministerial delegation from Vietnam will arrive in Paris to discuss military and other matters with the French authorities. In these negotiations the French will seek to have the Vietnamese Government take over those responsibilities of the French High Command under the Geneva Agreement which the French are unable to fulfil without infringing Vietnamese sovereignty.

³⁴ Note marginale :/Marginal note:

But didn't they refuse to go along with us in northern obstruction! [L.B. Pearson]

5. Attached for your approval, if you concur, is a telegram to Hanoi along the lines suggested above. This will be repeated to New Delhi where Mr. Johnson will be from August 14 to August 18.

R.M. MACDONNELL
for Under-Secretary of State
for External Affairs

[PIÈCE JOINTE/ENCLOSURE]

*Le secrétaire d'État aux Affaires extérieures
au commissaire de la Commission internationale de surveillance
pour le Vietnam*

*Secretary of State for External Affairs
to Commissioner, International Supervisory Commission for Vietnam*

TELEGRAM 369

Ottawa, August 15, 1955

CONFIDENTIAL. IMMEDIATE.

Reference: Your telegrams Nos. 409 of August 7 and 418 of August 8.†

DELAYS IMPOSED ON TEAMS IN SOUTH VIETNAM AND RESPONSIBILITIES
OF SOUTH VIETNAM GOVERNMENT UNDER THE CEASE FIRE AGREEMENT

I do not believe that we can or possibly that we should try to oppose with much vigour the reference of this matter to the co-Chairmen in the next Commission report, though I would not agree that this reference should be in any stronger terms than that which was made to freedom of movement difficulties in the North. In the circumstances I believe that informing the French in advance of the possibility of some such reference may help them in the discussions they will be having with the Vietnamese in Paris in mid-August, when the question of South Vietnamese responsibilities under the cease fire agreement will be discussed. I agree with the efforts you have made to avoid the Commission's referring in the proposed letter to the French directly to Article 43, and when the draft letter is considered by the Commission you should, if necessary, maintain your objection to the employment of the wording quoted from Article 43. You might say that use of the phraseology quoted from Article 43 goes further than the Commission has previously gone in cases of obstruction and might carry certain implications of bad faith on the part of the French, which would be undesirable since the object is of course to get results rather than to cause ill feeling. You should make clear that your opposition to the proposed wording of the letter is not concerned with trying to shield the French or the South Vietnamese from clearly justified criticism.

2. On the broader question of South Vietnam's failure to assume properly its responsibilities under the cease fire agreement as the successor power to France, I think we might take advantage of Mr. Johnson's arrival in Saigon to make clear our apprehensions on this subject to the South Vietnamese. Mr. Johnson might speak to Mr. Diem when he calls on him along the following lines:

Begins:

Canada assumed responsibilities on the International Commission in the hope of making a constructive contribution to the maintenance of peace in Vietnam and throughout Southeast Asia. The task is a considerable burden to us, but one we have been willing to

assume and to carry out so long as we believe we are doing a useful and constructive job. We believe that up to the present time the International Commission has done useful work, particularly in ensuring that the military provisions of the cease fire agreement were carried out without any renewal of the fighting.

We also take some satisfaction from the contribution — even though it was severely limited — which the Commission was able to make towards the movement of refugees, since we are convinced that without the Commission's intervention many fewer refugees would have reached South Vietnam than was actually the case. We believe that the Commission still may be able to perform useful work (even though it may now be of a more routine nature than previously) and that its activities and the maintenance of the structure of the cease fire settlement is some insurance that the Viet Minh will not renew hostilities.

Recent developments concerning the security of the Commission and its teams in South Vietnam have become the source of grave concern to the Canadian Government. The occasion of this concern has not only been the events of July 20 in Saigon, but also the inability of some of the Commission's teams to perform tasks assigned to them because their security cannot be guaranteed. Clearly the Commission cannot continue to carry on indefinitely if it is unable to carry out its functions. Withdrawal of the Commission as a consequence of its being unable to perform its functions would, of course, upset the whole cease fire settlement, and could result in the Democratic Republic's ceasing to regard itself as being bound by the terms of the cease fire agreement. Such a situation would produce a more serious threat to peace in Vietnam than any other development since the cease fire agreement was signed. As this situation would undoubtedly create new threats to the security of the State of Vietnam and its future peaceful development, we feel sure that the Government of the State of Vietnam will give careful consideration to this situation, which becomes more and more difficult as time progresses. Ends.³⁵

3. Mr. Johnson should not, I believe, relate his remarks in any way to the elections question, for which we do not regard the present Commission as having any special responsibility, but solely to the cease fire agreement for the supervision of which the Commission is responsible. The cease fire agreement is the real basis for the settlement in Vietnam, and we would naturally regard its collapse much more seriously than the failure to implement the terms of the final declaration. It would also be desirable for him not to acquiesce in any drawing of distinctions by the Vietnamese on this issue between ourselves on the one hand and the Indians and Poles on the other, since in the matter of the ability of the Commission to carry out its functions either in the north or the south we must line up with our colleagues on the Commission.

5. Mr. Johnson might make his statement to Mr. Diem on the occasion of his initial call (if more than the amenities are observed) or on another occasion soon afterwards, if it seems desirable to keep the initial call purely one of courtesy. He should make it clear, however, that he is speaking on instructions.

6. We intend shortly to bring this situation and its implications to the attention of the British, French and Americans.

[L.B.] PEARSON

³⁵ Ce texte « with slight modifications » a été lu à Diem le 20 août. Johnson a rapporté que « Diem showed little reaction during reading of message and made no comment on text itself. » Voir Saigon à Ottawa, télégramme N° 73 du 21 août 1955, MAE/50052-A-40.

This text "with slight modifications" was read to Diem on August 20. Johnson reported that "Diem showed little reaction during reading of message and made no comment on text itself." See Saigon to Ottawa, Telegram No. 73, August 21, 1955, DEA/50052-A-40.

619.

DEA/50052-F-40

*Le secrétaire d'État aux Affaires extérieures
au commissaire de la Commission internationale de surveillance
pour le Vietnam*

*Secretary of State for External Affairs
to Commissioner, International Supervisory Commission for Vietnam*

TELEGRAM 375

Ottawa, August 18, 1955

CONFIDENTIAL. IMMEDIATE.

Reference: Your telegram No. 426 of August 13, paragraph 4.

SOUTH VIETNAMESE ATTITUDE TOWARDS ELECTORAL CONSULTATIONS

We hope that our telegram No. 369 of August 15 which was sent before your 426 received, meets your suggestion with respect to making our views known to the South Vietnamese concerning their attitude to the Commission with respect to its remaining tasks.

2. We are rather doubtful about the wisdom at this particular stage of using our influence with the South Vietnamese in the hope of persuading them to take a more forthcoming attitude towards electoral consultations. We have in other contexts held very firmly to the idea that the present Commission has no special responsibilities with respect to the elections or the pre-electoral consultations, and we would not wish the arrival of the new Canadian Commissioner and the expression of views on these matters to lead the South Vietnamese or anyone else to think that at this point we are prepared to embark on a new policy of closer interest and concern in electoral matters than we have hitherto shown. We recognize that the subject of elections may very well come up in conversations which Mr. Johnson has with Prime Minister Diem and other members of the South Vietnamese Government. If so the line should be that we believe that the provisions of the Final Declaration should be carried out, but beyond that there should be no need to elaborate. If pressed for an expression of views on the statements made by Prime Minister Diem, Mr. Johnson should not conceal the fact that we were disappointed in the terms of these replies in the sense that they did not hold out much prospect for the holding of inter-zonal consultations in the near future. We believe, however, that it would be preferable for him not to enter into any detailed discussions with the Vietnamese of their attitude on this subject at this particular time.

3. As indicated in our telegram No. 369, we believe that the question of the Commission's ability to carry out its functions in the South is a more immediately serious issue than the failure of the South Vietnamese to enter into pre-electoral consultations, and that we should for the present use our influence with the South Vietnamese to adopt a somewhat more forthcoming attitude towards the Commission and to accept for practical purposes and tacitly if not publicly the status quo of the armistice settlement. If a crisis concerning the attitude of the Diem Government to the Commission and to the cease fire settlement can be avoided for a few months, it may be possible after the immediate effects of Diem's statements on elections have worn off for the governments principally concerned to make some progress towards persuading Diem to engage in some form of inter-zonal consultations on elections. Meanwhile it is in our view essential that the armistice settlement as laid down in the cease fire agreement be respected and maintained by the South Vietnamese, and you may take advantage of the opportunity afforded by unofficial

contacts to persuade them to accept this point of view and act accordingly. The adoption of this attitude by the South Vietnamese need not in our view involve their public acceptance of all the terms of the Final Declaration at this time. In view of the conspicuous lack of success which the United Kingdom, the United States and France have had in persuading Diem to go some way towards complying with the provisions of the Final Declaration concerning electoral consultations, we do not think it would be wise for us to enter that field at the present time.

620.

DEA/50052-A-40

*Le commissaire de la Commission internationale de surveillance
pour le Vietnam
au secrétaire d'État aux Affaires extérieures*

*Commissioner, International Supervisory Commission for Vietnam,
to Secretary of State for External Affairs*

TELEGRAM 453

Hanoi, August 27, 1955

CONFIDENTIAL. IMPORTANT.

Reference: Your telegram No. 356 of August 5th.†

FREEDOMS COMMITTEE REPORT ON 14(D)

Initial draft of report, running to 57 short double-spaced pages and expected to cover a number of appendices containing statistical material, has been prepared by Indian Chairman Freedoms Committee and is under active discussion in Committees.

2. Draft deals verbatim with following phases:

First. From the cease-fire to the 31 October, 1954 — initial phase.

Second. From the 1st November, 1954, to 1st February 1955 — period of concentration, incidents and mass evacuation.

Third. From 1st February to 18th May, 1955 — period of recommendations and surveys.

Fourth. From 18th May to 20th July, 1955 — extension period.

Draft also discusses what further action might be taken after July 20th.

3. Original draft presented limited but relatively honest account of work under 14(d) up to May 18th. Unfortunately its early blunt references to Democratic Republic shortcomings are softened towards the end of third phase by overemphasis and a conclusion which read in original. "The general surveys conducted by mobile teams 54, 55, 56 and 73 revealed that local authorities had, in general, brought into force the procedure recommended by the Commission on the 1st February, 1955. The vast majority of people who desired to move south had, in fact, (received?) permits and had proceeded. The reports of the teams mentioned a number of residual problems which existed and on these problems and specific cases the Commission issued to the Liaison Mission specific recommendations which continued to be followed up even after the 18th May".

4. Fourth phase minimizes existence of general problem at time extension was agreed and fails to bring out mitigating reasons for south's failure to implement suggestions in practice during period. It also tends to emphasize size of problem in south as opposed to

improvement to point almost of perfection in north. This is exactly danger foreseen in paragraph 2 of your telegram under reference.

5. The final section of the report, dealing with period after July 20th, admits need for Commission to continue to be concerned with "residual cases" such as:

- (a) Persons with permits but unable to move.
- (b) Persons who have applied for permits before July 20th.
- (c) Persons covered by petitions not fully processed.
- (d) Common-law prisoners subject to further examination of their position.
- (e) Persons in forced residence.
- (f) Persons unable to go because of private debts and taxes.
- (g) Land-owners in north.
- (h) Priests and nuns refused permits on grounds that their religious superiors have not given permission.

Section, however, notes that neither party has requested extension and takes position that no one who had not applied before July 20th is concern of Commission. It white-washes performance of Democratic Republic on grounds of general improvement in later stages, but is severely critical of south during extended period and states "trouble in the south has not yet been completely cleared". It concludes with view that problem has been "adequately tackled by the Commission and in general those who wished to go to their zone of choice have been able to do so".

6. Needless to say, most of this report was immediately unacceptable to us. We have, therefore, submitted a number of substantial amendments to the first three phases in order to remove inaccuracies and as far as possible speculative comment and opinion and to hew closely to established record of Commission. These include quotations from third interim report and separate Canadian note. It is too early yet to say how far our amendments will be accepted, though we think that we have the Indian on our side for the most part. Our hope is to reach unanimous agreement on a strong factual historical account of the phases up to May 18th but we have not lost sight of the possibility that we may have to submit our own report even for these early chapters. We are of course addressing ourselves to the task of rewriting the quotation in paragraph 3 above to remove the unacceptable implication that most people in north have been given permits and to make it reveal unsatisfactory situation obtaining on May 18th.

7. With regard to fourth phase, we shall of course work on inclusion of (group corrupt) which present southern attitude in more favourable and accurate light, as revealed by the record. We anticipate some difficulty in maintaining a proper perspective with regard to lack of co-operation from southern authorities.

8. Our main problem, however, will be with respect to the period after July 20th, and it seems quite likely that we will have to submit a minority report on this section at least, whether or not we can agree on the earlier chapters. We intend to emphasize that problem in south, which has never (reached?) proportion of a serious problem, arose only near the end of May 18th and the real difficulty has been with respect to extended period, i.e. after expiry of Article 14(d), the arrangements for which were not accepted by the south because agreement on its proposed conditions could not be reached in joint Commission. We intend also to have the report speak out as strongly as possible on shortcomings of Democratic Republic, continuing even into extended period, although we will have to recognize the gradual if grudging improvement in its performance.

9. With reference to your instructions, on which our statement of July 27th was based, we think it would be difficult to press for an extension after July 20th of the same kind as applied between May 18th and that date. As you know, neither French nor South Vietnamese have asked for an extension and both are concerned about misuse of freedom of movement to infiltrate Communists in south. We are sending by bag text of letter, addressed by Colonel Nam to French Liaison Mission, which makes general charges that there is evidence of 80,000 people left in north who have not been able to exercise their right of option, but which do not, repeat not, request any extension. This letter has not been forwarded to Commission by French Liaison Mission, so we are not seized of its contents. We understand, however, from our Saigon representative that at this stage there is no intention on part of South Vietnamese authorities to request further extension and that real purpose of this communication is to request Commission to clear up cases of people who applied before May 18th.

10. After careful consideration we think it would be unrealistic to insist on immediate general surveys in north, not only because if accepted, which seems doubtful, south would be embarrassed with reciprocal action in its zone, but more importantly because we frankly do not have enough evidence to justify such surveys. They would in any event not be likely to find any problem at this late stage. We think, however, that we should endorse the view that (group corrupt) Commission must carry out the kind of action with respect to residual problems envisaged in initial draft and press for a blanket statement that Commission has continuing interest in whatever freedom of movement cases might come to its attention along the lines of the precedent for continuing action established in respect of Article 21, and (1) Commission reserves its right to investigate complaints through mobile team investigations.

11. We cannot long avoid entering detailed discussion of what is to be done after July 20th. Your comments on above appreciated, particularly your instructions re action for which we should press for period after July 20th. In this last regard, we would hope that the instructions contained in your telegram No. 228 of July 23rd might be interpreted in light of our views in last preceding paragraphs.

12. Earliest possible reply requested.

[D.M.] JOHNSON

621.

DEA/50052-A-40

*Le secrétaire d'État aux Affaires extérieures
au commissaire de la Commission internationale de surveillance
pour le Vietnam*

*Secretary of State for External Affairs
Commissioner, International Supervisory Commission for Vietnam*

TELEGRAM 387

Ottawa, August 31, 1955

CONFIDENTIAL. IMMEDIATE.

Reference: Your telegram No. 453 of August 27.

FREEDOM OF MOVEMENT

At the present stage of this question there would appear to be two points to be borne in mind:

(a) that there is now virtually no possibility of achieving any practical benefits for the real consumers — residents of the north who still wish to leave; and

(b) that this is the last chance we will have to say our piece on this subject in the Commission, and we should not, therefore, spare the ammunition.

2. On the Freedoms Committee report (which we presume will form the basis, if not actually the text, of the report to the co-Chairmen) you should spare no effort to ensure that it contains a proper and fair representation of the real history of 14(d). In pressing for amendments you can now afford to take a pretty uncompromising position, since the advantage of securing Indian support and thereby overcoming Polish objections is no longer of much relevance in the context of the freedom of movement question. We would hope, of course, that the report could be largely recast in the Canadian image of what has happened in connection with 14(d), and you should certainly endeavour to get agreement to as many of your amendments as possible. On this occasion, however, there should be no hesitation about insisting on a minority appendix giving the Canadian interpretation of events which are in your view inadequately dealt with in the Indian-Polish text. On this you should be quite adamant. The first two interim reports of the Vietnam Commission, with their studious attempts to maintain a balance in the allocation of blame and criticism, were in our view very misleading documents. The main virtue of the third report was not so much its contents as the fact that the Canadian Commissioner added a minority note. This fact (in spite of the lack of substance in the note itself) went a long way towards establishing our position on the freedom of movement question both publicly and internationally. We would therefore be quite happy to see this device employed again. If more substance can be put into it, so much the better.

3. In our view the importance of the report to the co-Chairmen containing the Commission's final assessment of the implementation of the freedom of movement provision cannot be overemphasized. This is not just a matter of setting up propaganda scoring points for the Diem Government. As matters stand now the prospects for the implementation of the political settlement envisaged in the Final Declaration are very poor indeed. That Diem, from the international point of view, seems to be taking an unnecessarily intransigent attitude towards participation in the pre-electoral consultations should not obscure the fact that the atmosphere which now exists is quite inimical to useful discussions about elections, let alone the actual holding of them. Sooner or later the Geneva Conference powers will have to take cognizance of the impossibility of carrying out the policies with respect to a political settlement in Vietnam laid down in the final declaration. They may have to reconvene to endeavour to work out some more realistic programme for the future of Vietnam. In these circumstances it is vital that the Geneva Conference Powers should be fully seized of the reasons for the failure of the political programme mapped out at Geneva a year ago. We would not suggest that unsatisfactory performance by the DR on Article 14(d) is the sole contributing factor in producing an atmosphere in which progress towards a political settlement became impossible, but we certainly believe that it must be given its due weight. In any second look which the Geneva Conference Powers take at the programme for a political settlement in Vietnam, considerable importance will undoubtedly be attached to the reports of the International Commission. It is, therefore, essential that we ensure that the next report, which will cover the conclusion of the first phase of the Vietnam settlement, should present a fair and accurate picture and bring out clearly the fact that in its performance on 14(d) the DR has not only failed to remove the feelings of suspicion and distrust which were a natural legacy of the war but has contributed materially to their perpetuation and intensification.

4. You should, therefore, concentrate your efforts on ensuring that the report contains as much material as possible which will show that the existence of fears and rumours in North Vietnam has been largely responsible for the unsatisfactory implementation of 14(d) in North Vietnam and that the atmosphere of suspicion and distrust (caused by evident efforts in the north to prevent people from leaving) has prevented people from trying to take advantage of their rights under 14(d) and has hence rendered the proper implementation of that article impossible. We see no reason why much of the material contained in Appendix I of your despatch No. 395 of July 25[†] should not be used in the report or in a minority Canadian appendix if agreement to its employment in the main body is not attainable. We believe that the report should also bring out clearly the obstruction to international inspection which has to a considerable extent rendered nugatory efforts of the International Commission to assist in ensuring that Article 14(d) is properly carried out.

5. We are pleased to note that you will endeavour to have the references to the lack of cooperation from the south during the extension period put in their proper perspective. Certainly we should not attempt to shield the south from justifiable criticism; but it should not be forgotten that non-cooperation in the south came after — and was probably due partly to — months of obstruction and grudging cooperation in the north.

6. Any minority Canadian appendix to the report to the co-Chairmen should, of course, be as factual as possible and a polemical tone would be quite undesirable. If the Indians should tax you privately or in the Commission for trying to produce a report which will render cooperation between north and south on electoral matters more difficult, you might point out that in our view the Commission has a duty to present a true picture of Article 14(d) to the co-Chairmen and that we cannot in fairness to the Geneva Conference Powers or ourselves compromise on our interpretation of the facts as we see them. Any attempt to gloss over the poor record on 14(d) in the north or the south would be misleading and hence a disservice to those to whom the Commission is responsible.

7. We are not in a position to rescind the instructions contained in the Minister's telegram No. 328 of July 23, as he is not in Ottawa and will not be back for another week. We recognize, however, that it might prejudice your ability to secure Indian support on other issues if in this case you continue to demand that the Commission take measures which you — and the Indians — believe to be unrealistic. Possibly your proposals for a further extension and for general surveys by mobile teams which you made to the Commission on July 27 might be maintained in principle without pressing for a Commission decision.

8. With regard to an extension, you might reiterate as the Canadian view your statement on July 16 that it is the Commission's duty by whatever means might appear appropriate after July 20 to see that the provisions of 14(d) are implemented to the satisfaction not only of the parties but of the Commission itself and of the real "consumers"; that since 14(d) has not been satisfactorily implemented in the time provided, logic suggests that more time is an essential condition to any further measures for achieving implementation of that article; and that while the unsatisfactory handling of the first extension by both parties suggests that a further extension might not produce useful results, is it not the duty of the Commission to explore every avenue with the parties which might lead to the proper implementation of the terms of the cease fire agreement?

9. With respect to the general surveys by mobile teams, you might recall your proposal of July 27, in which the conduct of general surveys by mobile teams was put forward as a means of rounding out the assessment of 14(d) by the Freedoms Committee; acknowledge the difficulties which are involved in arranging these general surveys; mention the advantages to be gained in reaching a proper assessment of the situation with respect to freedom

of movement by means of surveys conducted under conditions which would permit free access of people to the teams and would enable the teams to carry out fair and adequate samplings of the wishes of the population without hindrance, delays or obstructions; and ask whether it is not remiss on the part of the Commission not to ask for a clearly desirable general survey of this kind merely because in the past it has sometimes been difficult for mobile teams to carry out investigations under these conditions.

10. You should, of course, support the view that the Commission must continue to concern itself with residual cases and we agree that a blanket statement of the kind you mention in your paragraph 10 would be desirable, particularly if it establishes the point that the Commission will investigate specific complaints through mobile team investigations.

11. We leave it to you to determine the most suitable opportunity for putting in our last *pro forma* bid for an extension and a further mobile team general survey along the lines suggested above. At this stage the proposal for a special report to the co-Chairmen on freedom of movement is no longer one which you need press. The question of a press release might suitably be left open until the report to the co-Chairmen is in its final draft.

622.

DEA/50052-A-40

*Le commissaire de la Commission internationale de surveillance
pour le Vietnam
au secrétaire d'État aux Affaires extérieures*

*Commissioner, International Supervisory Commission for Vietnam,
to Secretary of State for External Affairs*

TELEGRAM 487

Hanoi, September 10, 1955

CONFIDENTIAL. IMMEDIATE.

PROPOSED INDIAN APPROACH TO CO-CHAIRMEN

Following Commission meeting September 9, Mr. Desai raised with Polish alternate and myself, proposed Indian action to approach co-chairmen concerning situation facing Commission in Vietnam, with particular reference to position of Government of State of Vietnam that it is not bound by Geneva Agreement. Mr. Desai called separately on me and my Polish colleague today to provide further clarification. Position appears to be as follows.

1. The Government of India has already sent an informal communication to the co-chairmen through Indian High Commissioner in London and Indian Ambassador Moscow stressing need for urgent review of position in Vietnam as a result of position taken up by President Diem. Indian Government has also suggested that problems of Laos could also be discussed at meeting of co-chairmen. Main reason for making this informal approach, it was explained, was the increasing difficulties in the working of the Vietnam Commission and likelihood of an early meeting between Molotov and MacMillan in New York during forthcoming United Nations General Assembly. This informal approach had been made by the Government of India but not, repeat not, as chairman country or on behalf of Commission. The Government of India has suggested that Canadian and Polish Governments may make similar approaches if they consider it desirable.

2. I understand from Mr. Desai that Mr. Nehru has already brought this informal approach to your attention.

3. The further important point is that the Indian Government now proposes to make a *formal* approach to co-chairmen (preferably not later than end of this month,) but would first wish to know whether Canadian and Polish delegations would like Government of India to make this later formal approach itself, or would prefer that the approach be made by Commission through Government of India as the chairman country, or whether either of the governments of the supervisory countries of Canada and Poland would like to be associated with the formal approach by the Government of India, if approach by Commission should be delayed unduly. Suggestions as to line of approach would be welcomed.

4. The general points, in the view of the Indian Government, which should be included in such a formal approach, are the following

(a) Commission owes its origin to Geneva Agreement. Mr. Diem is opposed to Geneva Agreement. Hence future of Commission's working is matter of serious concern.

(b) Neither Commission nor any of the supervisory countries can make new agreement with any party or alter the Geneva Agreement or accept repudiation and, therefore, Commission must necessarily make a reference to co-chairmen to deal with the problem that has arisen.

(c) Commission can continue if Geneva Agreement and final declaration implemented by the parties.

(d) Strain and difficulties in Commission's work. Commission continues despite this but the impasse has to be resolved as Commission cannot continue working under this strain.

(e) Meeting of co-chairmen in September or October in New York. Supervisory countries in Commission being also asked to give their views.

5. I informed Mr. Desai that it would be necessary to consult you before giving him any indication of our views in view of the importance of a formal approach of this kind, and that I hoped to be able to let him know before end of this week our views with respect to

(a) procedure, and

(b) assuming that it was decided either that we should participate in a common approach or make a parallel but separate approach, what the substance of such a communication should be. I pointed out, for example, that with respect to point (c) in paragraph 4 above our view was that the cease-fire agreement and the final declaration were separate matters. He did not disagree with this, but said it was up to co-chairmen and Geneva powers if present timetable envisaged in final declaration was not to be followed, to propose a specific alteration of this timetable. In any event, the Government of India was convinced Commission could not function without formal acceptance of successor responsibilities by Government of the State of Vietnam.

6. You will no doubt wish to consider this matter most carefully, and in light not only of this message, but also of my separate but related message dealing with draft of fourth interim report now before us. I shall be glad to transmit your views to Mr. Desai at the earliest opportunity.

[D.M.] JOHNSON

623.

DEA/50052-A-40

*Le commissaire de la Commission internationale de surveillance
pour le Vietnam
au secrétaire d'État aux Affaires extérieures*
*Commissioner, International Supervisory Commission for Vietnam,
to Secretary of State for External Affairs*

TELEGRAM 488

Hanoi, September 10, 1955

CONFIDENTIAL. IMMEDIATE.

Repeat New Delhi No. 49

DRAFT FOURTH INTERIM REPORT

Chairman last night September 9 circulated draft fourth interim report advance notice of which we had received only day before. Draft runs to 35 pages double spaced and covers period from April 11 to August 10 under following main chapter headings:

- (1) Establishment and machinery of Vietnam Commission;
- (2) Cease fire provisional demarcation line and demilitarized zone;
- (3) Regroupment plan (Haiphong and central Vietnam arrangements);
- (4) Prisoners of war and civilian internees;
- (5) Articles 14(c) and 14(d) (the latter covered at greater length than previously in 13 brief paragraphs);
- (6) Introduction of military personnel and war materials;
- (7) Future tasks;
- (8) Cooperation of parties to agreement problems of the future (the latter section including two main paragraphs sanction for the working of the Vietnam Commission and duration of the Commission).

In addition the draft contains the following six detailed appendices:

- (1) Implementation of provisions of Geneva Agreement and articles.
- (2) Claims of parties concerning prisoners of war.
- (3) Statistical details regarding complaints and investigations under Article 14(c).
- (4) Not received (statistical details on Article 14(d) up to July 20).
- (5) Catalogue of team investigations indicating obstructions and delays.
- (6) List of cases in which action under Article 22 recommended.

2. Draft follows format and style of earlier reports to co-chairmen and reflects same determination of Indians to balance shortcomings under Article 14(d) against those under Article 14(c) to take same line in respect of Articles 16 and 17 and under Article 21 to equate prisoners of wars in the north with civilian internees in the south. Main differences from earlier reports are:

(1) Draft suggests that northern intransigence regarding implementation of Article 14(d) gradually overcome while "independent attitude of Government of South Vietnam which controlled civil administration and which had not signed Geneva Agreement" both in respect of extended arrangements on freedom of movement and of other articles "has made obstructions and difficulties progressively more serious." As an illustration of the tendency in the draft to point the finger at the Government of the State of Vietnam attention might

be drawn to the conclusion of the section on freedom of movement which states "these residual problems of freedom of movement will be followed up by the Commission but in view of the definite stand taken by the Government of the State of Vietnam against the Geneva Agreement and the strained relations between parties there was no chance of securing extended facilities for freedom of movement to those who may have failed to exercise their choice before July 20."

(2) In chapter dealing with cooperation of the parties the effort is made to report cases of delay and obstruction both in the north and in the south. Reference to delays and obstruction to teams 24 and 61 is brief and not too specific confining itself to statement that these teams had to be withdrawn by the Commission "as the civilian and military authorities of the areas declined to make necessary security arrangements and FUF High Command was not able to alter the situation, Commission activities were being actually hindered in these cases".

(3) The main point about this draft report lies in its continued emphasis on the fact that the Government of the State of Vietnam has taken up attitude that they have not signed Geneva Agreement and are not therefore bound by it. My immediately following telegram contains the text of the draft final paragraphs which deal with the "sanction for the working of the Vietnam Commission" and "duration of the Commission". I think you should have the full text of these two sections because of their political importance.

3. You will note that in blunter and plainer language than that used in earlier reports conclusion is reached that Commission "cannot continue to function with any effectiveness unless difficulties are resolved satisfactorily by the co-chairmen and Geneva powers at a very early date". Difficulties are considered to be:

Because of political developments in the south, in June and July, French cannot carry out responsibilities under Article 25, south although apparently willing to protect and cooperate will not make formal declaration to that effect, programme of political settlement cannot be carried out in view of opposition of southern government. In light of all this, draft envisages that co-chairmen are required "to resolve the uncertainty regarding (1) sanction for working of Commission" (i.e.) whether Geneva Agreement to be respected by southern government and (2) the probable duration of its activities.

4. The two main problems of concern to us on the first reading of this draft are (a) our position with respect to freedom of movement (b) the evident intention in the draft to take a very firm line with the government of the south and to spell out in unmistakable (and eventually public) terms the problem facing the Commission as a result of the attitude of the Diem administration.

5. On the first point we suspect that Indian intentions may be to substitute consideration of fourth interim report for completion of freedoms committee report on Article 14(d) in respect of which our strong stand has been made known. I have emphasized in Commission that we still consider that special report on freedom of movement should be made at once to co-chairmen and that such a report and fourth interim report should be drafted in light of the freedoms committee's report on freedom of movement which I have recommended should be completed as priority task. Desai today agreed that freedoms committee report should be completed by September 14 and submitted to Commission by that date even though parts of it are not agreed. However, I am not at all hopeful that Commission will agree finally to do other than discuss freedom of movement within context of fourth interim report. In any event we shall be guided in respect of this matter by the instructions contained in your telegram 387 of August 31 and the least that we should obtain will be a

strong and detailed statement of the Canadian position as a minority appendix to the fourth interim report.

7. With respect to the draft's evident intention to be harsh with southern government and to highlight Commission difficulties we shall of course spare no effort to put the developments in the south in their proper perspective and to emphasize shortcomings in the north under Article 14(d) and otherwise and their probable effect on the course of events in the south. On the more general and perhaps overriding question of the Commission's present position in the face of the official attitude of the Government of the State of Vietnam the draft has clearly been prepared and submitted at this time by the chairman in full knowledge of the initiative recently taken by the Indians, as reported in my telegram 487 of September 10, including the further formal approach the Indians wish to make to the co-chairmen. The Indian delegation is obviously seeking to concert the line to be followed in the report with the position which it has already taken up in its approach to the co-chairman and the later formal approach which is planned although the fourth interim report is perhaps couched in more general terms. One suspects that this is not only the swan song of Mr. Desai, expected to leave the Commission in October, but if present impasse continues it may conceivably be the swan song of the Commission itself.

8. It follows, therefore, that your views in reply to my telegram 487 of September 10 will have to be related closely to the line which we take with reference to these important political sections of the fourth interim report and for this reason your specific comments particularly on the final paragraphs which deal with the responsibilities of the Government of the State of Vietnam and Commission's future role at the earliest date will be appreciated. Discussion draft report begins September 13.

[D.M.] JOHNSON

624.

DEA/50052-A-40

*Le commissaire de la Commission internationale de surveillance
pour le Vietnam
au secrétaire d'État aux Affaires extérieures
Commissioner, International Supervisory Commission for Vietnam,
to Secretary of State for External Affairs*

TELEGRAM 489

Hanoi, September 11, 1955

CONFIDENTIAL. IMMEDIATE.

Reference: My immediately preceding telegram No. 488.

DRAFT FOURTH INTERIM REPORT

Following is text of the concluding political paragraphs in the draft fourth interim report which deal with problems of the future sanction for working of Vietnam Commission and duration of Commission. Begins:

Problems of the Future

44. Apart from delays and obstructions due to the intransigence or truculence of the local authorities, the political developments during June and July 1955 and the Commission's experience regarding the working of its investigation teams and the delay in implementing its recommendations have made it clear that the French High Command cannot carry out its obligation under Article 25 in the zone south of the provisional demarcation line in the

face of the categorical attitude adopted by the state of Vietnam, that they have not signed the Geneva Agreement, that they are not, therefore, bound by its provisions and are opposed both to the Agreement and the final declaration. Apart from the demonstrations against the Geneva Agreement on 20 July, 1955, which degenerated into violence against the inmates of the two hotels, Majestic and Gallieni, where Commission's personnel were staying, on which a special report was sent to the co-Chairmen, the political attitude of the state of Vietnam to the Geneva accords and its effects on the work of this Commission and the implementation of the Vietnam agreement require very early consideration by the co-Chairmen to resolve the uncertainty regarding

- (i) Sanction for the (group corrupt) working of the Commission and
- (ii) The probable duration of its activities.

Sanction for the Working of the Commission in Vietnam

(i) As civil and military administration in the zone south of the provisional demarcation line is in the hands of the Government of the State of Vietnam, which has not signed and is, according to its repeated public declarations, opposed to both the Geneva Agreement and the final declaration, further continuance of the Commission's activities and the effective discharge of its responsibilities are in serious jeopardy as the Commission, established under Article 44 of the Agreement can only draw its authority from the Agreement itself and has no other sanction. We would like to add in this connection that during our discussion with the Government of the State of Vietnam, we have been told that it will give full protection and practical co-operation to the Commission as an International Peace Commission but will not make a formal or public declaration to that effect and that its opposition to the Geneva Agreement and the final declaration will continue. It is obvious that the International Commission which has, in the discharge of its responsibilities under the agreement, to undertake various tasks which, in effect, result in the curtailment of the sovereignty of both administrations in the north and in the south, cannot carry on its activities in the face of the declared opposition of the Government of the State of Vietnam to the Geneva Agreement merely on the basis of a personal or practical understanding which can be revoked at any time.

Duration of the Commission

(ii) In any case, an ad hoc arrangement outside the Agreement, however effective, naturally amounts to revocation of the Agreement and the Commission cannot be a party to any such arrangement. Another point arising out of the political developments is the uncertainty regarding the duration of the Commission's activities. Article 14(a) of the Agreement which specifies political and administrative measures in the two regrouping zones on either side of the provisional military demarcation line refers to the conduct of civil administration in each regrouping zone "pending the general elections which will bring about the unification of Vietnam". The various tasks with which the Commission is entrusted under the Agreement have to be carried on as long as these provisional arrangements for civil administration, north and south of the provisional demarcation line, continue. The Commission winds up its activities only after political problems arising out of the regrouping south and north of the provisional demarcation line, are settled. The programme for the settlement of political problems is outlined in the final declaration of the Geneva powers but as this cannot be carried out in view of the categorical opposition of the government of the State of Vietnam, both against the agreement and the final declaration, the Commission is faced with the prospect of continuing its activities indefinitely and, as pointed out above, without any sanction for its working.

45. Despite the uncertainty regarding sanction for the Commission's working created by the political developments in the last few months and the increasing ineffectiveness due to these developments of the French High Command to carry out their obligations under Article 25 in respect of Commission's activities in the zone south of the provisional demarcation line, the Commission has continued to supervise and control the execution by the parties of the Articles of the Agreement throughout Vietnam under extremely trying conditions. It cannot, however, continue to function with any effectiveness unless the difficulties mentioned in the above paragraph are resolved satisfactorily by the co-Chairmen and the Geneva powers at a very early date. Ends.

[D.M.] JOHNSON

625.

DEA/50052-A-40

*Le commissaire de la Commission internationale de surveillance
pour le Vietnam
au secrétaire d'État aux Affaires extérieures
Commissioner, International Supervisory Commission for Vietnam,
to Secretary of State for External Affairs*

TELEGRAM 495

Hanoi, September 13, 1955

CONFIDENTIAL. IMPORTANT.

Reference: My telegrams No. 488 and No. 489 of September 10 and 11, 1955.
Repeat Saigon, Phnom Penh, Vientiane, New Delhi.

FOURTH INTERIM REPORT

Opening Commission's general discussion on the draft report today Chairman stated that in chapter 8 he had attempted to make closer assessment of extent of cooperation by the parties and place before co-chairmen certain problems which the Commission had faced in last two or three months. Later, following my remarks, he agreed our job to present factual picture of difficulties faced and ask co-chairmen for advice but not to prejudge solution. Main point was that Commission under Article 41 not competent to make any ad hoc arrangements with South Vietnam Government.

2. In brief statement I suggested Commission again consider immediate and special report to co-chairmen re 14(d) and that Freedoms Committee's report should be considered before 14(d) section in fourth interim report. Referring to reports appendices I questioned appropriateness of revealing so much information which tended present "box score".

3. Re cooperation of parties to agreement, I advised caution pointing out it was a fact that State of Vietnam Government had by not (as received) signed Geneva Agreement and French had been to their credit steadily transferring responsibilities to the south. I recognized this situation caused delays but was not aware of any deliberate obstruction of Commission activities by the French or Vietnam Government. I observed that delays due more to local conditions. Basing myself on your telegram 378 of August 24, I said that "while the present situation is not satisfactory it is difficult to see how the Commission can insist on anything more at the present time until its formal relationship with the State of Vietnam undergoes some change. If, as a result of the present negotiations, the French turn over the High Command to the State of Vietnam then a more positive definition of the responsibilities of the State of Vietnam as the successor to the French High Command will be required.

The real crisis will arise if, as a result of the negotiations now taking place, the French transfer the High Command to the State of Vietnam and the State of Vietnam does not assume responsibilities as successor. At that time the situation can only be clarified by the co-chairmen and the Geneva Powers in consultation with the parties to the Agreement and the Government of the State of Vietnam. It may be worthwhile for the Commission to draw this situation to the attention of the co-chairmen but in so doing we should not prejudice the form the solution may take". Please advise if you agree with this course of action.

4. Desai in the interim report takes the view that the Commission "cannot carry on its activities in the face of declared opposition of the Government of the State of Vietnam to the Geneva Agreement merely on the basis of personal or practical understanding with Diem which can be revoked at any time."

5. Your telegram 407 of September 12† has just been received. Your reply to Mr. Nehru's message would help us in dealing with those sections of the interim report concerning the position of South Vietnam.

6. Pole agreed with general line of report but wished emphasize seriousness of situation vis-à-vis southern government and that south Vietnam had rejected provisions of agreement. Commission must establish that South Vietnam legally bound under Article 27 to adhere to agreement. Re 14(d) Pole declared matter closed and that special report unnecessary.

7. Chairman also opposed special report on 14(d) on grounds it unfair devote a report to one sub article of agreement. Furthermore co-chairmen who had exchange on 14(d) only because of Canadian note to third interim report had not requested special report. In view of Chairman and Poles opposition we shall endeavour insert as strong section as possible re 14(d) in fourth interim report. Our views on freedom of movement sections of report will be put forward again when Freedoms Committee's report available.

8. Commission commences discussion of report chapter by chapter September 15.

[D.M.] JOHNSON

626.

DEA/50052-A-40

*Le secrétaire d'État aux Affaires extérieures
au commissaire de la Commission internationale de surveillance
pour le Vietnam*

*Secretary of State for External Affairs
to Commissioner, International Supervisory Commission for Vietnam*

TELEGRAM 422

Ottawa, September 15, 1955

CONFIDENTIAL. IMMEDIATE.

Reference: Your telegram No. 487 of September 10 and our telegrams Nos. 407† of September 9 and Nos. 411,† 413† and 414† of September 14.

Repeat New Delhi No. 622; London No. 1506; Paris No. 571; Washington EX-1605.

PROPOSED INDIAN APPROACH TO THE CO-CHAIRMEN

You will note from my comments which have been sent to London in our telegram No. 1486 (repeated to you as No. 414) that we have not taken serious exception to the content of Mr. Nehru's message to the co-Chairmen. I believe, however, that the timing of the Indian initiative in this matter is unfortunate and that it comes at a time when the co-

Chairmen might not find it possible or desirable to take any immediate steps in response to it. Indeed the transmission of the informal Indian note at this time could be related to objectives of Indian foreign policy; it is not a natural or logical consequence of developments in Vietnam itself. While the attitude of the South Vietnamese Government to the Cease Fire Agreement is unsatisfactory, and while the position of the Commission vis-à-vis the Vietnamese Government leaves a good deal to be desired, it has not been my impression that these matters have reached such a critical stage that immediate action by the co-chairmen is required. Similarly, the non-observance by the South Vietnamese Government of the provision in the Final Declaration for the commencement of interzonal consultations on elections is a problem which would certainly have to be dealt with before July of next year, but I see no compelling necessity why it should be raised with the co-chairmen at this particular stage by the Commission. The general effect of the Indian initiative may be therefore, to add to this confusion without helping in the solution of this problem.

2. Insofar as the Indian initiative in sending an informal communication to the co-chairmen was a purely Indian affair, there was no particular reason for taking umbrage at their making their concern on these matters known to the co-chairmen. With respect to a *formal* approach as proposed by Desai, you might tell him that we could, of course, have no objection to the Government of India's making such an approach itself if it wished to do so. You might add parenthetically, however, that we are somewhat at a loss to understand the need for a further formal communication by the Government of India when the two co-chairmen have already been seized of the problems with which India is concerned by means of the informal message to Messrs. MacMillan and Molotov.

3. The question of a formal approach by the Commission is, however, a very different affair and since, as indicated above, we have the impression that the reasons for an approach to the co-chairmen at this particular time are primarily Indian reasons we have rather strong misgivings about the Commission's been involved. You might, therefore, tell Desai that we would not be in favour of a formal Commission approach to the co-chairmen along the lines of the Indian approach at this particular time.

4. As for the association of Canada with a formal approach to the co-Chairmen by the Government of India, you might say that we would not be prepared to consider this at this time. If the Government of India (with or without the association of the Government of Poland) decides to go forward with its formal approach to the co-chairmen we would, of course, regard ourselves as being free to make known to the co-chairmen our own views on the subjects touched upon in such a communication.

5. In passing the above indication of our position to Desai you might say that we are not unsympathetic to the broad lines of the Indian approach as set forth in their informal note, although there are certain aspects of it with which we do not fully agree. We do not, for instance, regard it as the responsibility of the Commission powers at this particular time to raise the subject of non-observance by the South Vietnamese Government of the provision in paragraph 7 of the Final Declaration concerning interzonal consultations on elections. The Geneva Conference powers are well informed on this and they (and particularly the co-chairmen) have the primary responsibility for dealing with it. Furthermore, the DR, as one of the parties directly concerned, has just addressed a communication to the Geneva Conference Powers which is now being circulated.

6. You might add that we see nothing very new in the Diem Government's attitude of non-acceptance towards the Geneva Settlement. The South Vietnamese Delegation made its position pretty clear at the Geneva Conference. Unfortunately, not much attention was

paid at the time to what the South Vietnamese had to say — presumably because, since their sovereignty was limited, they were not in a position to affect the course of the negotiations, and in the ensuing months we were concerned with the problems of regroupment, etc. which was naturally a matter of primary concern to the High Command of the French Union. Now, of course, the South Vietnamese have acquired almost complete sovereignty, and this change has created a new situation with which the Geneva Conference Powers will have to grapple some time in the coming months. It is a very difficult situation, however, and we believe that it must be approached very carefully indeed. We are, consequently, doubtful about the wisdom of the Commission or the Commission Powers acting as a catalyst at this time: to force the South Vietnamese to declare their position categorically now might produce a much more threatening situation than we now have.

7. You might recall to Desai that when Krishna Menon was in Ottawa he accused us (in relation to our activities on the Vietnam Commission) of being “more priestly than the bishops” and too legalistic in our approach to the Commission’s task. You might point out that the shoe seems now to be on the other foot. We recognize that the position of the Commission in South Vietnam is rather anomalous in view of the attitude of the South Vietnamese Government. We certainly hope that this situation will be corrected. It appears to us, however, that the best prospects for its amelioration lie in the Franco-Vietnamese discussions in Paris and in the sort of diplomatic pressure which the French, British and Americans are best able to apply — and are continuing to apply — to Diem

8. Furthermore, it appears to us that the situation is improving, and that the Diem Government is endeavouring to take a more co-operative attitude and to “respect” the Cease Fire Agreement if not to acknowledge formally any responsibilities under it. The Commission drew the attention of the co-chairmen to the Saigon riots: apologies were made, provision was made for restitution, and Mr. Diem provided verbal assurances of co-operation to Mr. Desai and the Commission. The case of teams 24 and 61 is in hand and is being dealt with in accordance with normal Commission procedures under the Cease Fire Agreement. The Tourane incident was indeed unfortunate, but there is no evidence to show that it resulted from any deliberate intent on the part of the Diem Government.³⁶ (Furthermore, in this connection, we understand from the Americans that as a result of Hoppenot’s representations Diem has written to Desai providing further assurances of co-operation: this point might also be mentioned if our information is correct). There would, therefore, seem to be no reason now for a special communication to the co-chairmen when the attitude of the South Vietnamese towards the Commission is showing distinct signs of getting better: we are not convinced that the need for a special report is more pressing than it was in May in connection with the freedom of movement situation.

9. To the best of our knowledge the French have not at any time denied their responsibilities under the Cease Fire Agreement, and, accordingly, it would seem premature to demand that the South Vietnamese formally declare their acceptance of responsibilities which legally at least still rest on the French High Command. We profoundly hope that the Franco-Vietnamese talks in Paris will serve to clarify this situation. Meanwhile, we believe that the Commission can best contribute to the improvement of affairs by carrying out its primary task of supervision; objecting — if necessary strenuously — whenever it is not

³⁶ Les émeutes anti-commission ont forcé les équipes mobiles 24 et 61 à suspendre en juillet 1955 leur enquête sur plusieurs violations prétendues des Articles 14 c) et 15 d) à Tourane et dans les provinces avoisinantes.

Anti-Commission rioting forced Mobile Teams 24 and 61 to suspend their investigation of several alleged violations of Articles 14(c) and 15(d) in Tourane and neighbouring provinces in July 1955.

accorded the rights, facilities and co-operation on the practical level which it has a right to expect. We believe, however, that for the Commission or the commission powers to force the co-chairmen to take formal cognizance of the present anomalies in the Vietnam situation at this particular time (involving the circulation of formal communications originating from the Commission or the Commission powers to all the Geneva Conference Powers including the Diem Government) will succeed only in making the South Vietnamese commit themselves openly to extreme positions and adopt an attitude of resentment to the Commission. Such a move might also seriously prejudice the success of the Franco-Vietnamese talks and the possibility that Diem may return a more promising reply to Pham Van Dong's latest communication on elections.

10. In sum, then, we believe that a special approach to the co-chairmen by the Commission or the Commission powers on the subject of elections is undesirable because this is not the responsibility of the Commission and unnecessary since it has just recently been taken up anew by the DR. We believe that a special report on the attitude of the South Vietnam Government towards the Geneva settlement would be unwise at this time, and might produce the opposite to the desired effect; and finally that the misgivings of the Commission powers on this subject can be adequately expressed in the fourth interim report.

11. I will be sending you a separate message concerning the fourth interim report. On this we may be able to take a somewhat more forthcoming attitude, as we obviously cannot object to the inclusion of justifiable criticism of the South Vietnamese, though we have to be careful here not to go further than we were able to go in criticism of the northern government on freedom of movement. We will wish to see some modification of the language, some elimination of the sweeping generalities and concentration on the specific points which are properly the concern of the Commission. You might hint to Desai that it will be open to the Indians (and the Poles) to propose inclusion in the fourth report of some reference to paragraph 13 of the final declaration concerning consultation between the Geneva Conference Powers (as we did in our minority note on the third report), and that we might be prepared to go along with this if a suitable formula can be found. While pouring cold water on the idea of a special formal approach to the co-chairmen either by the Commission or by the Indian Government, you can assure Desai that we do not wish to see the present situation drift on indefinitely, but that we are confident that the co-chairmen are seized of the problems and will not let matters rest as they are.

{L.B.] PEARSON

627.

DEA/50052-A-40

*Le secrétaire d'État aux Affaires extérieures
au commissaire de la Commission internationale de surveillance
pour le Vietnam*

*Secretary of State for External Affairs
to Commissioner, International Supervisory Commission for Vietnam*

TELEGRAM 424

Ottawa, September 16, 1955

CONFIDENTIAL. IMMEDIATE.

Reference: Your telegrams Nos. 488 of September 10, 489 of September 11 and 495 of September 13.

Repeat London No. 1516.

DRAFT FOURTH INTERIM REPORT

It appears to us most undesirable that the fourth interim report be put in final form until the freedoms committee has completed its report on Article 14(d). It is very important that our position on freedom of movement should be developed as fully as possible in the freedom committee's report, and you should do everything in your power to see that this position is also fully reflected in the fourth interim report as well. It is difficult to see how this can be done if the final draft of the fourth report is prepared before the freedom committee's report is completed. We attach particular importance to the section in the fourth interim report on Article 14(d) in view of the Indian efforts to put the South Vietnamese Government in a bad light.

2. Reference your telegram 488, paragraph 2(1). It should be made clear that while the northern intransigence regarding the implementation of Article 14(d) was gradually overcome with respect to adopting the procedures recommended by the Commission, the North did not apply these procedures in such a way as to remove the rumours and fears and the atmosphere of suspicion and distrust which were so largely responsible for preventing the provisions of Article 14(d) from being carried out fully. Similarly, any reference to strained relations should make clear that the North were primarily responsible for them in connection with the implementation of 14(d). If changes of this kind are not acceptable to your colleagues they should of course be written into a minority Canadian note.

3. If the Commission is to include in its fourth interim report the material on the attitude of the South Vietnam Government, it should keep before it the ultimate objective of contributing to the improvement of the situation rather than aggravating it. If the harsh and indignant tone of the present draft prepared by the Indians is preserved, it will surely only result in the Diem Government's becoming more intransigent, obstructive and unco-operative than ever.

4. Furthermore, we believe it is desirable for the Commission to use different tactics in bringing the South to book than are employed in the case of the North. The DR, as signatories of the cease fire agreement, are fully committed to the carrying out of its terms, and therefore are (or should be) sensitive to Commission criticism of their performance. The Diem Government, however, not being a signatory of the Cease Fire Agreement and not regarding itself as bound by its terms, must be persuaded and induced into better performance rather than needled and bullied. It seems to us important that some account should therefore be taken of the difference in status with respect to the agreement of the North and the South in connection with Commission comment on their performance. This point might be worth mentioning privately to Desai, although it is of course not one which would be stated in the Commission.

5. Furthermore, we believe that in its fourth report the Commission should confine itself to specific cases related to provisions of the cease fire agreement and should not indulge any more than necessary in broad generalizations. As indicated in our telegram No. 422 of September 16, we are prepared to see the problem which is exercising the Indians stated in the report; but it should be included as an analytical statement of a situation which is causing difficulties to the Commission rather than a tirade against the political attitude of the South Vietnam Government. The fact that the South Vietnamese Government did not sign the cease fire agreement and does not at the present time regard itself as bound by its terms must, of course, be mentioned; but we see no need whatever for the reiteration in the report of references to the "categorical attitude" of the Diem Government and "repeated public declarations" of opposition to the cease fire agreement and the final declaration. This sort

of thing will only make it the more difficult for the South Vietnamese Government to change its attitude.

6. The following is not intended as a draft substitution for paragraphs 44 and 45 in the present report but is an outline of the manner in which we think it can be most suitably dealt with:

Begins:

During the past two or three months the Commission has encountered certain difficulties in carrying out its task in South Vietnam. (Reference teams 24 and 61; Tourane incident; if necessary the Saigon riots and difficulties in connection with 14(d).) During the period under review the regroupment of forces (with which the French High Command and the PAVN High Command were, as military commands, directly concerned) was completed and the Commission's principal task of supervision was accomplished. Since that time the Commission has become increasingly concerned with matters which in South Vietnam are not (for constitutional and administrative reasons) the direct responsibility of the French High Command, although the French High Command continues to be responsible to the Commission in these and other matters coming under the Cease Fire Agreement. The situation in connection with these matters has been affected by the fact that the authorities in South Vietnam directly concerned with them are responsible to the South Vietnamese Government and not to the French High Command, and by the fact that the South Vietnamese Government was not a signatory of the Cease Fire Agreement and does not at present regard itself as bound by its terms. This situation has an adverse effect on the work of the Commission and the implementation of the Vietnam Agreement.

The International Commission derives its authority from the Cease Fire Agreement and must depend, for the proper execution of its responsibilities, on the protection, assistance and co-operation of the parties to the agreement — i.e., the French High Command and the High Command of the PAVN. In connection with many of the problems with which it is now engaged the Commission must in fact depend more and more on the protection, assistance and co-operation of the South Vietnamese Government, although it can only claim this support through the agency of the French High Command. The Government of the State of Vietnam has given informal and oral assurances of full protection and practical co-operation to the Commission as an International Peace Commission but is not at present formally engaged to provide the protection, assistance and co-operation which the Commission has a right to expect. The Commission is of a view that this ad hoc arrangement is not satisfactory and expresses the hope that the parties directly concerned will be able to work out a more durable and dependable arrangement, which will place the Commission in a more favourable position to carry out its functions. Ends.

7. We would like to consult the British about the possibility of a recommendation for consultations by the Geneva Conference Powers in accordance with paragraph 13 of the Final Declaration. Accordingly, you should not concur in any formula for this purpose until you hear further from us.

8. We do not believe that the section on the duration of the Commission is necessary at this time, and you should oppose its inclusion on the grounds that the Commission must continue to function in any event until July 1956, and that there will be ample time to take this matter up at a later date if no progress has been made on the elections question.

9. We do not believe that you should be quite so precise in your analysis of the problem facing the Commission as you have been in paragraph 3 of your telegram No. 495, since we cannot be confident that the French will in fact agree to hand over the High Command *in toto* to the South Vietnamese, or that the latter in assuming the High Command or a part

of it will accept unequivocally responsibilities under the Armistice Agreement that would thereby devolve upon it. We should leave the way open to the acceptance of half measures which may be as much as the French or any one else can obtain from Diem.

10. We do not agree that any statement to the effect that "an ad hoc arrangement outside the Agreement, however effective, naturally amounts to revocation of the Agreement and the Commission cannot be a party to any such arrangement". It is in this sort of statement that the Indians are being "more priestly than the bishops". The Commission has in fact been a party to this sort of arrangement for some time now, and it is accordingly illogical to make such a statement at this point.

11. Similarly, you should be wary of any flat assertions that the South Vietnamese Government is legally bound under Article 27 of the agreement. We would wish to examine any such statement very closely before agreeing to it; and in any event such an assertion is not particularly helpful if the South Vietnamese stoutly deny it, as they undoubtedly would.

12. Our comments have been addressed to those sections of the Draft interim report quoted in your telegram No. 488, but it will, of course, be desirable to apply the same approach to the document as a whole.

628.

DEA/50052-A-40

*Le commissaire de la Commission internationale de surveillance
pour le Vietnam
au secrétaire d'État aux Affaires extérieures*

*Commissioner, International Supervisory Commission for Vietnam,
to Secretary of State for External Affairs*

TELEGRAM 504

Hanoi, September 19, 1955

CONFIDENTIAL. IMPORTANT.

Reference: Your telegram No. 387 of August 31.
Repeat Saigon, Vientiane, Phnom Penh, New Delhi.

FREEDOMS COMMITTEE REPORT ON FREEDOM OF MOVEMENT

Report running to 50 foolscap pages double spaced and covering appendices including lengthy Canadian note of amendment was signed on September 16 and presented to Commission today. (Copies going forward by bag September 19.) It is basically a second redraft prepared by Indian Chairman on basis of amendments suggested to first draft. Most of the Canadian amendments on early historical section have been incorporated. Although now more realistic than first draft, report still suggests a larger measure of implementation of 14(d), a greater degree of co-operation from the PAVN and a lesser degree of co-operation from the south than we believe to be true situation. Accordingly, Canadian member of the Committee signed with the Pole and the Indian but subject to Canadian note of amendment to cover these points and to reiterate that more time is required and that Commission retain right to use rapid surveys teams if it sees fit.

2. Summary of specific Canadian implementation minority notes follows:

(1) Paragraph suggesting that areas visited by mobile team 54 had been cleared changed to statement (draft?) "while some progress had been made, the Commission was not in a position to say that Article 14(d) had been adequately implemented in these areas".

(2) Paragraph dealing with continuing work of Commission changed to include reference to persons who because of fear, physical obstruction or other circumstances beyond their control, had not been able to put in a petition or to apply for a permit before July 20. The following is also added to this paragraph: "To complete the humanitarian work in this regard, the Commission of course retains the right to take such measures including despatch of mobile team for investigation and rapid surveys as it may see fit".

(3) Paragraph listing remaining residual problems changed to include persons who because of fear, physical obstruction or other circumstances beyond their control were unable to exercise their right of option within the stipulated period.

(4) Paragraph assessing position as of May 18 deleted and four pages giving detailed and blunt Canadian assessment along lines of Appendix A to our despatch No. 395 of July 25† mentioned in paragraph 4 of your telegram under reference substituted. In addition to hitting PAVN hard, this section emphasizes difficulties facing teams, continued non-implementation of 14(d) in the north and absence of any problem in the south during the 300-day period.

(5) Paragraph devoted to performance of the PAVN during the 300-day period and the extended period up to July 20 rewritten to emphasize PAVN failure to implement Article 14(d). It concludes: "It is clear that the measure of co-operation and of fulfilment of their obligations by the northern authorities during the 300-day period was less than the Commission had a right to expect under the Geneva Agreement and was responsible for the failure to implement Article 14(d) more satisfactorily."

(6) Paragraph devoted to the Commission's role re-written to re-emphasize achievement of the Commission in order not to suggest problem of freedom of movement solved to a greater extent than we think has in fact been the case. This section of the Canadian amending note says that in face of substantial difficulties "the work that has been done by the Commission towards ensuring as full implementation of Article 14(d) as possible represents an achievement which should be recorded." It concludes that "completing its remaining tasks as outlined in performance section of this report the Commission would be continuing its efforts to carry out its humanitarian obligations both in the letter and the spirit of the Geneva Agreement".

3. When discussion commenced on report in Commission I raised question of special report on 14(d) to co-Chairmen. If there was agreement in a special report the Freedoms Committee report would be used as basis for special report. If no agreement on special report to co-Chairmen there was little point in long debate on acceptance of Freedoms Committee report. In that case it would be preferable to proceed with consideration of relevant clauses in fourth interim report and for each delegation to use Freedoms Committee report as a basis for their comments on those clauses.

4. Chairman explained Indels stand stating reference of problem to co-Chairmen would only secure condemnation of one party to agreement without helping people change zones. Furthermore authors of agreement had put time limit on 14(d) while co-Chairmen had never requested special report; therefore it was not justified. Pole also opposed special report. Hence my request for a special report was rejected by Commission.

5. Fourth interim report sections on 14(d) due for detailed discussion next week.

6. Complete redrafting of these sections along lines of Canadian note of amendment to Freedoms Committee report has already been done and submitted to other delegations. We shall press firmly for inclusion of our redraft which may well result in Canadian minority note on 14(d) being appended to fourth interim report.

[D.M.] JOHNSON

629.

DEA/50052-A-40

*Le commissaire de la Commission internationale de surveillance
pour le Vietnam
au secrétaire d'État aux Affaires extérieures*

*Commissioner, International Supervisory Commission for Vietnam,
to Secretary of State for External Affairs*

TELEGRAM 507

Hanoi, September 19, 1955

CONFIDENTIAL. IMMEDIATE.

Reference: Your telegram No. 422 of September 17th [sic].†
Repeat New Delhi No. 52; Saigon, Vientiane, Phnom Penh.

PROPOSED INDIAN APPROACH TO CO-CHAIRMEN

I am grateful for your timely and helpful comments in reply to my telegram No. 487 of September 10th. I arranged to see Mr. Desai this afternoon and left with him copy of an informal memorandum based upon your telegram under reference. Text of the memorandum is set forth in my immediately following telegram† and is being repeated to Delhi so that you may both know the precise terms in which your views were communicated to Desai.

2. I also indicated to him that the views set forth in this memorandum would necessarily (govern?) our attitude in approaching the final paragraphs of the fourth interim report, and that we would not, repeat not, be able at this stage to go beyond a factual statement as to the present position facing Commission, and in particular that we could not, repeat not, share in any sweeping generalizations as to the responsibilities of the South Vietnamese administration.

3. I also took the opportunity to make informally the point contained in paragraph 7 of your telegram No. 422 concerning what we regarded as an excessive legalism in the Indian approach. At the same time I emphasized to Desai the point contained in paragraph 4 of your telegram (No. 424?) distinguishing between the performance of the D.R. as signatory to the cease-fire agreement, and the performance of the south, which was not, repeat not, signatory and did not, repeat not, regard itself as bound by its terms.

4. Desai indicated that the Indian position, as is clear from the informal approach already made to the co-chairmen, the proposed formal approach and the terms of the first draft of the fourth interim report, (word corrupt) and gave no, repeat no, hint that there would be any change in the Indian position. As he put it, the Indians would be prepared to remain (in?) Vietnam over the next few months if there were useful work to be done. Failing full cooperation from the south, however, then prospect of this was slight. The south had of course been interested in implementation of the terms of the cease-fire agreement dealing with regroupment and transfer in the 300-day period; even now, they were doubtless interested in cooperation with respect to adequate supervision of the demarcation line and demilitarized zone and with respect to border control. On 14(c) however, which to the north was an article of great importance, the southern government's cooperation was not, repeat not, likely to be forthcoming. The present situation was [so] uncertain that in the Indian view the matter should be brought forcibly to the attention of the co-chairmen and Geneva powers, and Desai indicated that if India proceeded with its formal approach on its

own, it might indicate that India could be "prepared to quit" unless the situation were remedied.

5. With respect to fourth interim report, Desai did not demur at my suggestion that it may be necessary to submit alternative delegation reports on the (group corrupt?) sections. He mentioned that in his view unanimity of the Commission had been essential to achieve the previous objective of transfer and regroupment up to May 18, but indicated that a long argument in the Commission would prove fruitless in view of the positions taken by the respective Commission governments, and that separate reports (including possibly a Polish minority report strongly critical of the south) might be the only solution. He is hoping to complete consideration of report on this basis by September 23rd. We have now completed submission of our amendments to 14(d) chapters of report. We are preparing our alternative draft on the final sections dealing more particularly with the general question of cooperation of South Vietnam, largely on the basis of the useful outline put forward in paragraph 6 of your telegram No. 424 of September 16. You will note that we did not, repeat not, raise with Desai the suggestion contained in paragraph 7 of your telegram No. 424 of possibility of a reference in accordance with paragraph 13.

[D.M.] JOHNSON

630.

DEA/50052-A-40

*Le commissaire de la Commission internationale de surveillance
pour le Vietnam
au secrétaire d'État aux Affaires extérieures*

*Commissioner, International Supervisory Commission for Vietnam,
to Secretary of State for External Affairs*

TELEGRAM 510

Hanoi, September 20, 1955

CONFIDENTIAL. IMMEDIATE.

Reference: My telegram No. 495 of September 13, 1955.

Repeat Saigon, Vientiane, Phnom Penh, New Delhi.

FREEDOM OF MOVEMENT — SECTION FOURTH INTERIM REPORT

Commission September 19 considered 14(d) sections in Chapter V of draft Fourth Interim Report. As I reported in my telegram No. 504 of September 19, we had submitted to other delegations for consideration a complete redraft of 11 out of 13 paragraphs on 14(d) sections of Indian draft.

2. Both Pole and Chairman explained in considerable detail their reasons for opposing Canadian redraft.

3. Pole declared his delegation accepted neither conclusions nor argumentation in Canadian amendment and objected particularly to following Candel phrase "the Commission is not only unable to report that full implementation in this sense (re freedom of movement) has been achieved, but it recognizes that this problem has not yet been fully solved". Referring to results limited investigations by teams 74, 75 and (F42?) Pole claimed problem re 14(d) no longer really existed and added that from political aspect the humanitarian solution to any remaining residual problems would be to request complete implementation of agreement, i.e. unification of Vietnam. On political grounds, Pole expressed fear that despite his own good faith, Canadian proposal might be exploited by people who do not

want political settlement in Vietnam. Finally, Canadian amendment to 14(d) sections implied amendment of Article 14(d) itself through action under Article 41 and this could not be done.

4. Chairman reiterated remarks made during discussion September 17 on Freedoms Committee's report on 14(d) saying Commission's job was to supervise implementation of 14(d), not condemn either side, while Canadian amendment, based on extracts from team reports, aimed to condemn one party. He pointed out no investigation from May 18 to July 20 discovered any violations of 14(d) and considered Chapter 8 of report would show adequately what difficulties Commission had had in carrying out its investigations.

5. Chairman noted that neither party had requested extension on May 18 but Commission arranged it as it was felt its task under article not completed at that time. Extended arrangements, however, did not work satisfactorily as two parties failed make proper arrangements. Re Canadian suggestion that extension necessary, Chairman observed this could only be implemented by

(a) Agreement of two parties — who obviously were not interested,

(b) Amendment of Article 41 which would require reference to co-Chairmen — a very serious step.

6. Making it clear he did not consider 14(d) worth such attention, Chairman remarked that to extend 14(d) now would impose on parties tasks and duties Geneva agreement had never contemplated. In fact, 300-day limit had been placed on article in agreement itself.

7. Concluding, Chairman stated Indian Delegation could not support "one-sided condemnation of one party for actions before July 20" and therefore could not support Candel amendment of sections on 14(d). He also shared Polish view that our statement will be exploited by opponents of unification.

8. I acknowledged views of my colleagues and stated that as Canadian Delegation could not, repeat not, possibly accept Fourth Interim Report with present 14(d) paragraphs, and since gap between delegations was so wide, we would feel free to bring our own view on this article before co-Chairmen. At next Commission discussion of Fourth Interim Report on September 21, I intended briefly to outline reasons for Canadian position on 14(d), without precipitating general debate which would be useless at this time.

9. Our present redraft of 14(d) sections, on which Canadian minority note on 14(d) will be based, coming forward by bag of September 19. You will appreciate that in addition to our own interpretation of DG performance, our views (which will eventually be made public) include brief statement of Canadian position regarding need for extension of time to complete implementation, and reserve right of Commission to conduct further mobile team survey and require co-operation from parties in so doing.

[D.M.] JOHNSON

631.

DEA/50052-A-40

*Le commissaire de la Commission internationale de surveillance
pour le Vietnam
au secrétaire d'État aux Affaires extérieures*
*Commissioner, International Supervisory Commission for Vietnam,
to Secretary of State for External Affairs*

TELEGRAM 516

Hanoi, September 22, 1955

CONFIDENTIAL. IMMEDIATE.

Reference: My telegram No. 510 of September 20.

Repeat New Delhi No. 55; Phnom Penh, Saigon, Vientiane.

FOURTH INTERIM REPORT CHAPTER 8

Commission September 21 considered key chapter 8 of draft interim report dealing with cooperation of parties to agreement and problems of future; for text of relevant paragraphs see my telegram No. 489 of September 11.

2. I opened discussion stating that while Candel could accept paras 41, 42 and 43 (with minor amendment to indicate PAVN had taken immediate action in "some cases") there were many statements in para 44 and 45 we could not accept, especially para 44, Part (i) "it is obvious that the International Commission cannot carry on its activities in the face of declared opposition of Government of State of Vietnam to the Geneva Agreement merely on the basis of a personal or practical understanding which can be revoked at any time". I observed situation is actually same now as a year ago, i.e. France signed the agreement and State of Vietnam did not. Furthermore, suggestion in part (ii) that ad hoc arrangements naturally amount to revocation of agreement simply not the case. I also commented on "harsh" tone of final chapters.

3. Pointing out paras 44 and 45 tantamount to threat to pack up and go, I suggested at outset that they be omitted altogether leaving co-chairmen to draw their own conclusions. Observing that negotiations were going [on] between France and South Vietnam which might be helpful in present situation, I stated that while willing to submit facts re difficulties faced in Commission I objected to submission of conclusions. If other delegations insisted on these paragraphs, Candel would be obliged to forward our views. In that case it had ready alternative draft of paras 44 and 45 giving conclusions as Candel saw them. I stressed, however, we would much prefer that agreement be reached on a factual final chapter, if at all feasible, as this would be of much more help to co-chairmen.

4. Pole objected to deletion of paras 44 and 45 maintaining they did present factual picture. Commission could not depend on verbal assurances which might be withdrawn at any time; nor should we wait for results of French Vietnamese negotiations. Pole also asserted situation not the same as last year since administrative power has been passed by French to Vietnamese.

5. Co-chairmen at once agreed it would be better if three delegations could agree on factual presentation rather than submit separate views. He stated paragraphs might be "rearranged" to mutual satisfaction *if* the general theme therein, i.e. that the Commission cannot work effectively unless existing difficulties are solved, were accepted.

6. Re present situation co-chairmen pointed out since June, 1955, when there ceased to be a Commander-General of FUF in Saigon, Commission had noted progressive ineffec-

tiveness on part of French High command to get civil administration and local authorities in South Vietnam to cooperate. Chairman mentioned appointment of French Ambassador in Saigon as sign that relations between French and Vietnamese had changed. French can no longer be really effective on civil administration side and perhaps in future on military side too. Noting that case after case raised by Commission is referred by French to State of Vietnam Chairman asked how promise of practical cooperation could be of much value when French no longer in control. If Commission refused place situation before co-chairmen, it would stand in danger of being deemed ineffective.

7. Chairman concluded by reiterating that we should try to agree on common draft. Meanwhile, Canadian redraft of paras 44 and 45 was circulated to other delegations (similar to para 6 in your telegram No. 424 of September 16).

8. When discussion resumed September 22 Chairman said, after careful study of Candel redraft, he considered difference in approach so serious that any Candel suggestions to amend it would prove unacceptable. He maintained it not good enough to declare ad hoc arrangements unsatisfactory and simply express hope that parties would work out arrangements placing Commission in a more favourable position. Commission demanded by right that certain cooperation and assistance be given to it. Meanwhile, Commission could not wait and see what happens while becoming increasingly ineffective. There was no doubt that Commission had reached a crisis and co-chairmen must decide whether it was to continue. In support of his remarks Chairman referred to recent official and unofficial statements emanating from South Vietnam to effect State of Vietnam had not signed and was not bound by agreement that Commission was not impartial and that Indian and Polish delegations were pro-Communist, etc.

9. Pole observed that, even if present French-Vietnamese negotiations in Paris were successful, any change of responsibilities by one party would not offer Commission legal basis on which to function.

10. When I pointed out that this was difficult transition period and present Indian draft would tend to add fuel to the flames rather than preserve conditions in which peace could be maintained Chairman replied that, if Commission remained quiet, we would be preparing for end of peace in this area.

11. Although based on your telegram No. 424 of September 16, I made dangers inherent in present Indian redraft abundantly clear Indel view remained firm. It appears, therefore, that Indian draft of paras 44 and 45 (see my telegram No. 489 of September 11) will be essentially unchanged and will probably be accepted by the Pole with minor amendments. Present position, therefore, is that we would also submit minority note on final sections of fourth interim report in addition to Canadian amendment to sections on 14(d). This is not

the best solution from point of view of Commission's relations with the South, but in view of Indian position we can see no alternative.³⁷

[D.M.] JOHNSON

632.

DEA/50052-A-40

*Le commissaire de la Commission internationale de surveillance
pour le Vietnam
au secrétaire d'État aux Affaires extérieures*
*Commissioner, International Supervisory Commission for Vietnam,
to Secretary of State for External Affairs*

DESPATCH 586

Hanoi, October 31, 1955

CONFIDENTIAL

Reference: My previous despatch of October 19.†

ARTICLE 14(C)

Under its present procedures, the Commission cannot prevent itself from becoming involved in an ever greater burden of work under Article 14(c). So long as the State of Vietnam continues to pursue a vigorous anti-Communist campaign, the PAVN is provided with material on which to base new charges of reprisals and discrimination; and once a complain is made, the Commission is generally forced to take some action on it. Since the PAVN's complaints are carefully drafted, there is almost never an occasion on which the Commission can reject a charge on the grounds that it does not come *prima facie* within the terms of the Geneva Agreement. From time to time, the Commission, in the light of Article 33, does insist that the PAVN raise a complaint in the Joint Sub-Commission first, in the case of alleged acts of reprisal in the Demilitarized Zone, but except in these special circumstances, it has no way of refusing to consider a charge. The Commission has to proceed on the assumption that the parties are acting in good faith in requesting its intervention. However much it may suspect the motives of the PAVN, and believe that they exaggerate their complaints for propaganda purposes, the only really effective way of finding out whether a charge is true or false is either to investigate it directly or ask the French to investigate and report. This means that the wheels of the Commission are set in motion

³⁷ La Commission a approuvé le Quatrième rapport provisoire lors de réunions les 27 et 28 septembre. La délégation canadienne a joint des réserves aux sections reçues des autres parties et portant sur la liberté de mouvement et la coopération. Johnson a déclaré : « Report, with exception of sections on which we submitted minority comments, is we think as satisfactory as we could hope in view of rigid position taken by Mr. Nehru. » Voir Hanoi à Ottawa, télégramme, N° 534 du 28 septembre 1955, MAE/50052-A-40. Pour le rapport lui-même, voir United Kingdom, Parliamentary Papers, Cmd. 9654, *Fourth Interim Report of the International Commission for Supervision and Control in Vietnam*, London: Her Majesty's Stationery Office, 1955.

The Commission approved the Fourth Interim Report during meetings on September 27 and 28. The Canadian delegation attached reservations to the sections dealing with freedom of movement and cooperation received from parties. Johnson observed: "Report, with exception of sections on which we submitted minority comments, is we think as satisfactory as we could hope in view of rigid position taken by Mr. Nehru." See Hanoi to Ottawa, Telegram No. 534, September 28, 1955, DEA/50052-A-40. For the report itself, see United Kingdom, Parliamentary Papers, Cmd. 9654, *Fourth Interim Report of the International Commission for Supervision and Control in Vietnam*, London: Her Majesty's Stationery Office, 1955.

every time the PAVN makes a complaint. The initiative lies with the PAVN, and if they choose to make as many as twenty complaints a week, they would experience no great difficulty in finding suitable material.

2. The form the investigation takes varies according to the seriousness of the acts alleged, and the Commission, on the Chairman's initiative, distinguishes three classes. The first concerns individual arrests of persons for common-law offences committed after the ceasefire. If the PAVN complains that such an arrest was in fact a reprisal, the Commission asks the FUF to comment, specifying the charge on which the person was arrested and ultimately, the results of his trial and sentence. If from these comments it is clear that the person was arrested, tried and convicted for a common-law offence committed after the ceasefire, then the Commission considers the case closed unless the judge himself indicates some doubt about the validity of the charge. The Commission is obliged to follow the case through to the time when the arrested person is sentenced to be sure that even if the charge is genuine, there is no reprisal in the form either of failure to bring the arrested person to trial within a normal period of time or of the awarding of a more severe sentence than the law provides for the crime of which the person was convicted.

3. The second group of cases concerns alleged reprisals committed by persons or groups not connected with the Administration. Here also, the Commission takes no action itself so long as the French can report that the local authorities are taking the necessary action to trace and prosecute the guilty persons. Only in the third group, which is by no means clearly defined, does the Chairman argue for immediate investigation by the Commission in accordance with Article 37. This group seems to be distinguished, at least in the eyes of the Chairman, by allegations which clearly implicate the authorities in respect of particular brutal reprisals or reprisals affecting particularly large numbers of victims.

4. Whatever the category, it is evident that the Commission is involving itself in a considerable amount of work, either in investigating charges itself through mobile teams, or supervising the investigation of charges by the FUF. Considering the length of time that mobile team investigations can take, and the even greater length of time which it might take the responsible authorities to investigate, say, a murder case thoroughly, it is hard to see an end to the Commission's activities under Article 14(c). From this point of view, the Commission is at the mercy of the PAVN, since it must accept any reasonable charge which the PAVN brings forward. This is especially serious because of the propaganda advantage it gives to the DRVN and because of the real security problems facing the Southern authorities in some areas, which increase their natural reluctance to accept Commission investigations.

5. Because the Commission seemed to be becoming more and more occupied in investigating an apparently endless series of PAVN complaints, we several times suggested altering the present procedures for dealing with Article 14(c) cases. We have suggested that the Incidents Committee might be revived to screen complaints before they appear on the Commission's agenda. Alternatively, we have proposed that the Legal Committee should study the possibility of requiring more evidence from the PAVN before the Commission concedes that a *prima facie* case has been established.

6. Neither of these suggestions has been accepted, and for several reasons, we have not pressed them. For one thing, it is hard to see what additional evidence the PAVN could reasonably be expected to produce to establish in each case that a person was a member of the Viet Minh during the war, and that he has lived peacefully since the ceasefire. Furthermore, the procedures the Commission now follows are largely the Chairman's own. So

long as we cannot suggest a more effective substitute for them, we think it unwise to offend him by continually criticizing them.

7. More important is the fact that, since the Commission's last visit to Saigon, there have been indications of increasing co-operation from the South Vietnamese authorities. The most effective way to deal with the PAVN's charges is to produce evidence that they are false, and only the South Vietnamese are in a position to do this. Until recently, they have of course been reluctant to provide any assistance at all, for fear of compromising their position as a non-signatory of the Geneva Agreement. Lately, however, they have provided through the French fairly satisfactory answers to some of the more serious of the PAVN's charges. As a result, the Commission has accepted delays in despatching Mobile Team 85 to investigate a series of incidents in Chau Doc province, and has reversed its decision to send Mobile Team 90 to undertake a similar investigation in Thua Thien province.

8. If this trend towards increased co-operation continues, the Commission may be able to discharge its responsibilities under Article 14(c) satisfactorily. However, we do not ignore the possibility that an increase in the volume of accusations may eventually lead the French and the South Vietnamese to cut the knot by refusing to have anything more to do with investigations under Article 14(c). This is a possibility which has suggested itself to the Chairman, to the French both in Paris and in Saigon, and to ourselves. So long as such a step could be prevented from having any repercussions more serious than a report to the Co-Chairmen, it might be preferable to the present situation, which benefits only the Democratic Republic.

DAVID M. JOHNSON

633.

DEA/50052-F-40

*Le sous-secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis*

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

LETTER Y-1536

Ottawa, November 4, 1955

CONFIDENTIAL

Reference: Telegram No. Y-470 of Oct. 18† to Hanoi repeated to you as No. Y-1770. Similar letter sent London as Y-1564; Paris as Y-1182.

ARTICLE 14(C) INVESTIGATIONS OF THE SOUTH VIETNAMESE ELECTIONS

You will recall that in our telegram under reference we expressed some concern about the possibility that the general elections which are to be held in South Vietnam later this year might provide the Viet Minh with an excellent opportunity to step up their flow of charges that Article 14(c) of the Cease-Fire Agreement is being violated in South Vietnam. We asked our Commissioner to comment on this possibility and on the desirability of our discussing this matter with the U.S. and other governments.

2. From paragraph 1 of Hanoi's telegram No. 563 of October 20† (copy attached) you will note that our Commissioner agrees that the possibility that the DR will attempt to discredit Diem in this way during the forthcoming elections cannot be discounted.

3. Accordingly, we would be grateful if you would discuss this matter with the State Department, emphasizing that our hope is to obviate as far as possible a further develop-

ment of the current Viet Minh campaign of pressing charges against the South Vietnamese that Article 14(c) of the Cease-Fire Agreement is being violated. You might inquire about the possibility that the American Ambassador might take this matter up with the South Vietnamese authorities, counselling them to frame their electoral regulations in such a way as not to discriminate against persons or organizations on account of their activities during the hostilities. As indicated in paragraph 5 in our telegram under reference, the objective of this would be to ensure that the activities of Viet Minh agents in the South during the election campaign and the voting be kept in control by regulations of general application, and that thus no charges of discrimination need arise.

4. Please confine your discussion to the substance of paragraphs 3-6 of our telegram Y-470 to Hanoi and paragraph 1 of Hanoi telegram No. 563 of October 20 as you will note our Delegation in Vietnam is not too hopeful about avoiding new 14(c) cases, and we would not wish to raise false hopes on this score.

5. We are asking our missions in London and Paris to take up this matter with the British and French authorities, and you may, if you wish, inform the State Department to this effect.

A.R. MENZIES
for Under-Secretary of State
for External Affairs

634.

DEA/12278-40

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

TELEGRAM 773

New Delhi, November 9, 1955

SECRET. IMMEDIATE.

Repeat Vientiane No. 58; Hanoi No. 150; Phnom Penh No. 60.

MINISTER'S VISIT: DISCUSSIONS ON INDO-CHINA

1. The Minister brought up the situation in Indo-China at both talks with Mister Nehru. At Nehru's request Dutt was present for the second talk.

2. At both talks the Minister suggested that the cease-fire line in Indo-China might become the border between the communist and non-communist worlds just as it had in Germany and Korea. In the second talk he referred to the possibility of five Indo-Chinese States emerging.

3. The Minister and Nehru were in general agreement on the following points:

(a) The situation in the two northern provinces of Laos and the situation in Vietnam are linked together. It is probable that if Vietnam remains divided Laos will also remain divided. The Communists will not come to any agreement in Laos as long as South Vietnam refuses to agree to elections.

(b) In view of the link between the situations in Vietnam and Laos it would be unrealistic for the Co-Chairmen and the Geneva Powers to consider one issue separately from the other. Therefore if there is to be an appeal to the two Co-Chairmen and the Geneva Powers

the appeals from Laos and Vietnam should go forward at the same time and be considered together as one problem. This requirement should be kept in mind in the timing of movements in either the Vietnam or Laotian Commissions.

(c) Neither Commission can continue to function indefinitely. If no progress can be made with elections in Vietnam or in unifying Laos the question of the continued existence of the Commissions will have to be brought to the attention of the Geneva Powers. Neither Commission should be used for a purpose for which it was not intended: i.e. either as a protection to the régime in South Vietnam (or as a?) protection to the PL forces in the two northern provinces of Laos.

4. In respect of Laos the Minister requested that the Indians take another look at the Mayrand proposal.³⁸ Dutt commented that the Mayrand proposal did not give due weight to the contradiction in the agreement under which the authority of the Royal Government is to be reestablished in the two northern provinces while at the same time the PL forces have a right to move freely throughout the whole of the two northern provinces.

5. On the Sen Plan³⁹ Dutt's comment was that it was unwise to force the issue but we had not first decided what we would do if the plan should prove not to be acceptable to both sides.

6. The Minister agreed that the issue should not be forced unless we were prepared to refer the matter to the Co-Chairmen and the Geneva Powers.

7. On Vietnam the Minister said that we were not prepared to use stronger language in criticizing the régime in the South for its refusal to proceed with consultations on elections than we had used in criticizing the régime in the North for its failure to facilitate the movement of refugees. Mister Nehru demurred on the ground that the kind of breach that the South was committing was of a much more fundamental character than that which the North had committed.

8. The Minister said that we differed on the content of the legal obligations of the South under the Geneva settlement but he added that he fully realized that the real issue was not legal but political and that he himself considered that every effort should be made to persuade the South to enter into consultations on the holding of free elections. The Minister repeated several times that he was convinced that the United States was doing its best to persuade Diem to enter into consultations on elections.

9. Nehru showed us the text of the recent note from the Peking régime commenting on the protest by North Vietnam on the failure of the South to hold consultations. The Minister agreed that the Chinese had scored an important point when they had [contended] that it was nonsense for the South to say that the North would not agree to free elections when it was the South which had refused even to discuss the conditions of free elections.

10. The Minister both in his talks with Nehru and at his press conference made it clear that we would not be a party to elections in Vietnam unless they were free in the sense in which elections in Canada and India are free.⁴⁰

[E.] REID

³⁸ Voir/See Document 670.

³⁹ Voir/See Document 679.

⁴⁰ Pour un compte rendu sur l'entretien de Pearson avec Nehru, voir le document 293.
For a report on Pearson's discussion with Nehru, see Document 293.

635.

DEA/50052-F-40

*L'ambassadeur aux États-Unis
au sous-secrétaire d'État aux Affaires extérieures
Ambassador in United States
to Under-Secretary of State for External Affairs*

LETTER 1837

Washington, November 10, 1955

CONFIDENTIAL

Reference: Your letter Y-1536 of Nov. 4, 1955.

SOUTH VIETNAMESE ELECTIONS AND ARTICLE 14(C) OF THE CEASE-FIRE
AGREEMENT

We discussed the substance of your message under reference with Hoey and Kattenburg at the State Department on November 9. We took the opportunity as well to go over some of the same ground as had been covered early in October with the State Department (cf. our telegram No. 1708 of Oct. 7).†

2. The two State Department officers saw merit in your suggestion that the South Vietnamese authorities might be counselled to frame their electoral regulations in such a way as not to discriminate against persons or organizations on account of their activities during the hostilities. While no commitment was offered that the United States Ambassador in Saigon would be instructed to raise this point with the South Vietnamese authorities, we got the impression that something would be said to Reinhardt on the matter. Hoey said there was no question but that Reinhardt would continue to advise Diem at every suitable opportunity to offer the maximum co-operation he thought possible under domestic circumstances to the Commission on 14(c) matters as well as on other matters of interest to the Commission. The State Department officials with whom we spoke were inclined to believe that no matter how carefully the South Vietnamese electoral regulations were framed, the Vietminh would carry on a propaganda campaign charging discrimination. Communist organs in Hanoi, Peking and Moscow have already condemned the recent referendum and the plans of the Diem government for the calling of a National Assembly.

3. In the course of our conversation we touched briefly on the more general subject of the Diem government's planning for the election of a National Assembly. This is a matter on which there has been some consultation between United States representatives and the South Vietnamese but the State Department is by no means certain of the details of Diem's plan. United States representatives have been careful to "speak only when spoken to" on this matter so as not to give the impression of undue interference in what are essentially internal matters. Diem and his associates are extremely sensitive on such matters. The State Department understands, however, that a rough draft of a constitution prepared by a Council of Ministers exists. It is not clear to the State Department, however, whether this draft constitution will be publicized prior to the convocation of the Assembly or whether Diem intends to submit it in draft form to the Assembly after convocation. State Department officials assume that the main task of the Assembly will be to approve the constitution. Whether or not the draft constitution is publicized before the Assembly convenes, there will have to be some indication from the present government of the functions and procedures of the Assembly especially if that Assembly is to be kept in hand to any degree.

4. Hoey was of the personal opinion that Diem should be spending more time than he was building up some kind of party organization prior to the convening of the Assembly. In spite of its solid support of Diem, the State Department is not blind to the fact that he has potentially strong opponents, some of whom hold the loyalty of armed forces. In this conversation, as in so many conversations with the State Department in the past, we were made aware of the concern which exists among United States officials that the National Assembly would be less moderate than Diem and may be very difficult to control.

5. Kattenburg pointed out the dilemma which faces Diem in the organization of elections. What little experience the Vietnamese have had in governmental organization has been on the French parliamentary pattern. On the other hand, Diem and his associates are almost forced to strike out along new lines to maintain the support of the revolutionary elements in South Vietnam. The United States system is attractive in theory at least to Diem. How or whether he and his associates can bring about a satisfactory marriage of the French and United States systems (each of which our United States colleague admitted were thought of by many to be the worst in the world) seems to be the problem which the Vietnamese have set themselves. It would not be surprising, therefore, if their first attempts were decidedly unsatisfactory.

G.P. DE T. GLAZEBROOK
for Ambassador

636.

DEA/12278-40

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

*Secretary of State for External Affairs
to High Commissioner in India*

TELEGRAM Y-772

Ottawa, November 15, 1955

[CONFIDENTIAL]

Reference: Your telegrams Nos. 773 and 774† of November 9, 1955.

Repeat London Y-1887; Washington Y-1939; Paris Y-751; Hanoi Y-512; Vientiane Y-212.

DISCUSSIONS WITH MR. NEHRU ON INDOCHINA

Thank you for preparing the summary of my discussions with the Indians on Indochina. As I am anxious that other interested governments should know the context in my rather lengthy conversations of the understandings summarized in your telegram, I am suggesting to our missions in London, Paris and Washington that they write their memoranda for transmission to the governments concerned on the basis of your telegram No. 773 and the following supplementary comments (reference are to your telegram No. 773):

(a) Reference your paragraph 3(a): We recognized that the communist governments regarded the situations in Laos and Vietnam as linked, and that in dealing with the two situations we would have to take this fact into account.

(b) Reference your paragraph 3(b): These remarks were related to the Indian desi[red?] recent initiative to have the situation Vietnam considered by the Co-Chairmen and the Geneva Conference Powers. We would not wish this step to be taken unless consideration was also given to the situation in Laos. However, we think that this simultaneous consideration of the Laos and Vietnam situations can apply only at the Co-Chairman level: at the

local level the International Commissions in Laos and Vietnam must be free to deal independently with developments in their local context.

(c) Reference your paragraph 7. I expressed the view that although failure on the part of the Diem Government to engage in pre-electoral consultations might affect the work of the Commission after its normal term of operations had elapsed in July 1956, the question of electoral consultations was not the responsibility of the present International Commission at this time. I did not believe that the use outside the Commission of stronger language in criticism of the régime in the South for its refusal to proceed with consultations on elections than that which had been used by the Commission in criticizing the régime in the North for its failure to facilitate the movement of refugees was justified.

(d) Reference your paragraph 9. The Chinese note was not discussed in any detail.

2. *For London, Washington and Paris:* You may inform the Governments to which you are accredited of the substance of my conversations with Mr. Nehru on Indochina as outlined in New Delhi's telegram No. 773 (which is being repeated to you separately) modified by the foregoing supplementary comments.

[L.B.] PEARSON

637.

DEA/50052-F-40

*L'ambassadeur aux États-Unis
au sous-secrétaire d'État aux Affaires extérieures
Ambassador in United States
to Under-Secretary of State for External Affairs*

LETTER NO. 1868

Washington, November 16, 1955

CONFIDENTIAL

Reference: Our letter No. 1837 of Nov. 10, 1955.

SOUTH VIETNAMESE ELECTIONS AND ARTICLE 14(C)
OF THE CEASE-FIRE AGREEMENT

On November 15 we had an opportunity to continue with Hoey at the State Department the earlier conversation recorded in our letter under reference on electoral developments in South Vietnam and their relation to Article 14(c) of the Cease-fire Agreement. It is apparent that the Diem government is not taking United States representatives fully into its confidence on detailed developments and it may be some time therefore before we can secure through State Department sources at least a general outline of Vietnamese planning with respect to domestic elections. In the circumstances, our reporting from here on this subject must be of the bits and pieces variety but you may be interested none the less in what we can pick up.

2. We took the occasion to pass on to the State Department the information contained in your telegrams Y-1887† and Y-1888† of November 8 dealing with the possibility of a Polish demand for a special report to the co-Chairmen on the lack of adequate South Vietnamese co-operation with respect to Article 14(c) cases. Hoey expressed his appreciation of your willingness to keep the State Department informed. He went on to say that, as a result of our earlier representations (dealt with in our letter under reference), the State Department had suggested to Reinhardt, the United States Ambassador in Saigon, that he take whatever opportunity presented itself to advise Diem of the desirability of framing

electoral regulations carefully so as to avoid giving the Vietminh grounds for charging discrimination under Article 14(c). Hoey expressed the opinion that, apart from any friendly advice which was offered Diem on this score, there were practical limitations on the Diem government's freedom to discriminate against particular groups in South Vietnam. These limitations stemmed from the inability of the Diem government to implement a policy of discrimination. Diem was fully aware, Hoey thought, that he had to proceed cautiously to undermine the opposition which existed to his régime. Diem's record over the past year was on the whole a record of moderation and caution, if one took into account the revolutionary character of his régime. It did not seem likely to Hoey, therefore, that Diem would suddenly shuck off this habit of caution in favour of a frontal assault on his political enemies and attempt to implement highly discriminatory regulations. Hoey admitted the highly speculative nature of his comments since there were indications which pointed to opposite conclusions.

3. Stressing again the incompleteness of State Department information of Vietnamese planning, Hoey said that there had been some indication that the South Vietnamese authorities intended to use the "single list" technique in the election of candidates to the National Assembly. If they persisted in this plan, there would probably be repercussions in the way of appeals to the International Commission concerning undemocratic practices.

4. So far as the State Department knew, the South Vietnamese authorities were planning to set up a unicameral legislature. Some mention has been made, however, of an appointive council to deal with economic problems. It seemed likely that direct rather than indirect elections would be held. At an early stage in the electoral planning by South Vietnamese authorities there had been a decided preference for indirect elections, i.e., the choosing of national representatives by local village headsmen. In recent months this method seems to have lost its appeal although, in the State Department view, it is much better fitted to the present capabilities of the South Vietnamese.

5. One further point of interest made by Hoey had to do with the timing of the elections in South Vietnam. He said it was becoming apparent that, when reference was made by Diem and his associates to elections "this year", they had in mind the current Buddhist year, which ends on February 12, 1956. The State Department would therefore not be surprised if elections were delayed beyond the end of December and took place early in the new year as we know it.

6. We shall take whatever opportunities present themselves to pursue this subject with the State Department. It would be useful to us if you could keep us informed of the comments of our own representatives on domestic electoral developments in South Vietnam.

J.J. MCCARDLE
for Ambassador

638.

DEA/50052-A-40

*Le commissaire de la Commission internationale de surveillance
pour le Vietnam
au secrétaire d'État aux Affaires extérieures
Commissioner, International Supervisory Commission for Vietnam,
to Secretary of State for External Affairs*

TELEGRAM 596

Hanoi, November 18, 1955

CONFIDENTIAL. IMMEDIATE.

Reference: My telegram No. 591 of November 15,† my despatch No. 586 of October 31.
Repeat Saigon, Phnom Penh, Vientiane, New Delhi.

POSSIBILITY OF SPECIAL REPORT OF SOUTH VIETNAMESE
CO-OPERATION UNDER ARTICLE 14(C)

1. Rae has now made a second round of calls to the French, United States and United Kingdom missions and handed over factual memorandum† summarizing present position under Article 14(c), copy of which is going forward to you in the next bag.

2. After seeing Reinhardt and Nam, Rae has reported on the line which Vietnamese wish the French to take with the Commission in order to reduce the volume of 14(c) complaints. Nam complained strongly of Commission practice of "annundating" the South with complaints, many of which, he said, were baseless and raised by DR for propaganda purposes. He wanted onus placed on DR to prove its many charges and has suggested to the French that the French should request Commission to reject:

(a) all petitions which "mettent en cause" the laws and security regulations of Vietnam, and

(b) all petitions which do not at least give the name of the victim, his place of origin, the circumstances of his arrest and "proof that the arrest was for acts committed before the cease fire".

3. The French have not yet forwarded these arguments to the Commission but no doubt will shortly do so. We have already considered the possibilities of screening complaints and discussed the difficulties in our despatch under reference. We are not certain what Nam's point (a) means and are attempting to have it clarified. As for point (b) since the Commission almost never receives a complaint which does not give details of name, place of origin, and circumstances of arrest, to use these tests would not produce a substantial reduction in the number rejected.

4. The heart of the problem is the suggestion that the PAVN should be required to prove that the alleged victim of the reprisal was punished for acts committed before the cease fire. If the PAVN allege that the victim engaged in some form of activity in support of the Vietminh during hostilities and that since cease fire he has been living peacefully in his community the general practice of the Commission is to send the PAVN letter to the French for comments. (The South now contend that the Commission, before taking this initial step should require "proof" from the PAVN.) If the French after getting in touch with the South state that the victim was arrested for offences committed since hostilities, the Commission does not order an independent enquiry through a mobile team but it does not drop the matter. The Commission then requests the French to give particulars as to the nature of the alleged offence and to submit to the Commission from time to time progress reports of

judicial proceedings. The purpose of asking for progress reports is to ensure that the victim is in fact tried for the offence alleged and not held indefinitely in jail without trial. If replies are not forthcoming or are unsatisfactory, the Commission may order a mobile team investigation.

5. We have not objected to the procedure outlined above although we fully realise that in effect the PAVN supplies no proof that the victim was a resistance worker and is suffering reprisals for his activities during the hostilities, beyond their own allegation. We have considered the matter carefully and do not see what kind of proof on these points it would be reasonable to ask the PAVN to supply.

6. I propose to point out these difficulties to the French and Vietnamese during the Commission's forthcoming visit to Saigon and to argue that since the Commission has no practical way of ejecting PAVN charges on the grounds that Nam proposes, the answer is for the South to reply promptly when a complainant is referred to them, stating that the person in question was arrested for an offence committed after the cease fire. Before doing so and before the matter is again considered in the Commission, however, I would appreciate your guidance on how much proof the PAVN should be required to submit to the Commission before a charge is referred to the French for comments.

7. The Commission will be in Saigon between November 22 and December 3. Could your comments be sent to Saigon and repeated to Hanoi.

[D.M.] JOHNSON

639.

DEA/50052-A-40

*Le secrétaire d'État aux Affaires extérieures
au commissaire de la Commission internationale de surveillance
pour le Vietnam*

*Secretary of State for External Affairs
to Commissioner, International Supervisory Commission for Vietnam*

TELEGRAM Y-103

Ottawa, November 24, 1955

CONFIDENTIAL. IMMEDIATE.

Reference: Hanoi telegram No. 596 of November 18.

Repeat Hanoi No. Y-520.

ARTICLE 14(C)

It seems to us that if the Commission is to accept any scheme for reducing the volume of 14(c) complaints it must first satisfy itself that a large proportion of these complaints are without foundation and have obviously been advanced for propaganda purposes. Your very useful despatches on the 14(c) problem do not indicate the extent to which recent PAVN complaints have been substantiated. If a large number of these recent complaints have not been substantiated and if the flow of complaints continues at an undiminished rate, the Commission would have adequate grounds for reconsidering its whole procedure for dealing with these complaints in order to ensure that it is relieved from future abuse of its facilities.

2. This is in effect what was achieved in relation to the many third party petitions which were filed by the PAVN under 14(d) alleging forced evacuation: whatever the status of

these petitions now, they have in fact been shelved simply because a representative sample of them was found to be baseless.

3. The South Vietnamese — or the French on their behalf — will not be in a good position to demand additional supporting evidence for alleged 14(c) violations as long as there is a sizeable backlog of uncleared cases. To improve prospects of the Commission's accepting these recommendations it would seem desirable that any request from the French for a revision in Commission procedures for handling 14(c) cases should be preceded by a wholesale effort on the part of the South Vietnamese to clear the book of unfinished cases as quickly as possible.

4. Once it has been established that the great majority of 14(c) cases are without foundation, it should be possible for the Commission to take up suggestions for new methods of dealing with 14(c) complaints and to reduce its activities in this field (a) by omitting or reducing its present follow-up procedure and (b) by demanding in future more and better supporting evidence from the PAVN.

5. With regard to (a) above, the present follow up procedure seems to be based on the assumption that the authorities in the southern zone, when once charged with a violation of 14(c), are presumed likely to be guilty until the record of their judicial proceedings in each individual case proves otherwise. It does seem inequitable that the South Vietnamese should be required to prove themselves innocent of reprisal or discrimination every time the Viet Minh makes a simple allegation of a violation. Possibly a satisfactory reply from the South Vietnamese could be regarded as closing the case in the absence of compelling fresh evidence that discrimination is being practised through unusual delay in bringing the case to trial or excessively severe sentences inconsistent with the earlier South Vietnamese explanation.

6. We agree that it is difficult to see what additional proof of discrimination the PAVN can reasonably be expected to produce. On the other hand the South Vietnamese — if they are being victimized by an organized campaign of false or exaggerated charges — have the right to expect some protection from the Commission, and it is difficult to see how this protection can be afforded except through requirements for more and better supporting evidence for charges made. Additional details might be required under the heading of "circumstances of arrest" which would give a more dependable basis to a violation charge. If evidence produced is of the type found groundless in previous cases it might be dismissed. We have not had an opportunity to think this problem through and at the moment have no additional concrete suggestions to make.

7. Looking at the problem broadly, however, we believe it to be intolerable that the internal security measures of the South Vietnamese and their judicial procedures should be subject to constant Commission scrutiny merely on the basis of PAVN allegations. We also doubt that the Commission would be advancing its general usefulness by continuing to accept uncritically an unending succession of PAVN charges under this article. We have the impression that the Indians as well as ourselves would welcome a relief from this situation, but that they feel bound to press on as long as there is a distinct lack of cooperation on the part of the South Vietnamese. It surely should not be difficult for the South Vietnamese to dispose speedily of most of the charges by stating simply that the individuals concerned have been arrested for common law offences and that no discrimination was involved. With this degree of cooperation from the South Vietnamese, the Indians might be induced to drop the present follow-up procedure except in cases where fresh evidence is advanced by the PAVN of discrimination in the form of no trial or excessive sentence.

8. The foregoing ideas are based on the assumption that the South Vietnamese can be induced to clear 14(c) cases quickly — something that in the long run will cause them a good deal less trouble than a continued reluctance to co-operate with the Commission. You will no doubt make this point to them during your visit to Saigon.

640.

DEA/50052-A-40

Note du sous-secrétaire d'État adjoint aux Affaires extérieures

Memorandum by Assistant Under-Secretary of State for External Affairs

CONFIDENTIAL

[Ottawa], November 30, 1955

For a number of reasons it is time to look again at the long-term prospects in Asia and to examine our policies in Indochina in the light of these prospects. Important decisions on the role of the Commissions will have to be taken in the near future, and our policies should be shaped with ultimate purposes in mind.

2. It is difficult at this point to forecast Communist strategy following the latest Geneva Conference, but it is probable, if by no means certain, that this policy will continue both in Europe and Asia to be cautious, yielding nothing but avoiding provocation.⁴¹ This is what the Russians mean by co-existence, which, as Khrushchev said to the Minister, they will force us to accept.⁴² It is probable, of course, that Communist policy in Asia will be more dynamic than in Europe. It is likely to be cautious nevertheless, exploiting opportunities for peaceful subversion and penetration, as the Communist leaders know that the dangers of war, fear of which has inspired their present policies, are equally terrible if the war starts in Asia rather than in Europe.

3. It would seem, therefore, that the best we can hope for in Asia for some time to come is co-existence along the present boundaries. This is not very satisfactory, and it leaves Korea, Formosa, Vietnam and Laos in a dangerously unsettled condition, but it is better than war and it is better than demoralized retreat before creeping Communism. It allows us to go on the offensive in economic and ideological terms, but it requires a prudent approach to anything in the nature of an offensive military posture. Leaving aside the last resort of nuclear weapons, the West is in the weak military position in Asia, and it is in our interest, therefore, not to provoke or to frighten the Communists into military advance. What is required, therefore, is that we should hold firm, maintain a reasonable attitude towards any preferred negotiations and recognize that although we may have to demand Communist concessions in order to keep the record straight we should not count on any of these being made except in reciprocity for concessions on our part.

4. The Communist military offensive in Asia has been dormant since the achievement of armistice agreements in Korea and Indochina. (Their offensive gestures against Formosa last winter must be classified as irredentism rather than expansionist aggression.) These two agreements, therefore, and the Commissions which they established, are basic instruments of the détente which exists at the moment and which it is in our interest to preserve. Because they represented compromises by both sides and were tokens, therefore, of the willingness of both sides to stop the fighting in Asia, the two armistice agreements and the Commissions have significance beyond the territorial limits of Korea and Indochina. The

⁴¹ Cette idée est plus développée dans le document 213.

This idea is developed more fully in Document 213.

⁴² Pour le compte rendu de Pearson sur son entretien avec Khrushchev, voir le document 537.

For Pearson's record of his talk with Khrushchev, see Document 537.

denunciation or deterioration of either of these agreements might put an end to the détente. It is not that the Communists in Korea or Indochina are scrupulously observing the terms of either armistice, or, for that matter, that the record of the non-Communist régimes in these countries, though much better, is not perfect either. Nevertheless, they have accepted the armistice in principle in that they have not resumed the fighting, and this, from our point of view, is what is most important.

5. On the Communist side, great importance is attached to the Western acceptance of the armistices, and any moves by the West to do away with the armistice structure would be viewed with deepest suspicion and might promote dangerous reactions. They would probably be prepared to tolerate such tacit violations of the armistices on our part as the reduction of teams in Korea or postponement of the elections in Vietnam provided that we did not give indication that we wanted to render the armistice ineffective — by the withdrawal of non-Communist members from one of the Commissions, for example.

6. In this delicate structure of co-existence, the international supervisory commissions play an important role. It is a role which could well be extended if we are to achieve a state of co-existence throughout the world. Eventually, some kind of supervisory commission might be invoked to settle even the question of Formosa. We must bear in mind therefore the present and future importance of the principle of supervisory commissions in considering any policies which would destroy the commissions now at work. It is for this reason that we have been unhappy about American policy towards the Neutral Nations Supervisory Commission in Korea. We don't minimize the nature of Communist provocation. We certainly don't pretend that the Commission is carrying out satisfactorily the duties allotted to it and we are therefore prepared to accept changes in the Commission's structure. Nevertheless, we think that the effect of unilateral U.S. or U.N. action to remove the Commission altogether might have very dangerous repercussions. The Commissions, whether they are carrying out their specific functions very satisfactorily or not, remain as symbols of international responsibility and serve therefore as an important deterrent. In Communist terms, furthermore, they represent the core of a bargain reached with the West and a bargain is the only kind of agreement to which they will remain faithful — or at least relatively so.

7. The effect of this threat to the Korean Armistice in Korea itself is pretty obvious. What we are directly concerned with is the effect on Indochina where the shoe is on the other foot. In Vietnam, it is the Indians who are dissatisfied with the Commission and threatening to withdraw from it. The Americans (after some persuasion on our part) have become strong advocates of the retention of the Commission, however unsatisfactory its performance on the details of the armistice agreement. In Cambodia, the Americans would like to finish off the Commission, but in Laos they would certainly not want to do away with it as yet. There are of course quite different situations in all these countries, and in Cambodia there is some hope of ending the Commission legitimately and by mutual agreement. Nevertheless the Western attitude towards commissions has tended to vary in accordance with the degree to which they seemed to be serving our purpose or that of the Communists. If, however, it is true that the commissions are related in the minds of the Communists, then U.S. policy toward the N.N.S.C. should be tempered by awareness of the repercussions in Vietnam and Laos. (See Tokyo Letter No. 1161 of November 12† for evidence of the connection which exists in the Polish mind.)

8. There are of course sound arguments for ad hoc policies in the four countries of Asia where there are now supervisory commissions. Nevertheless, there are political reasons for viewing them in relation to each other and as part of the delicate fabric of peace in Asia. The connection between Korea and Indochina has already been mentioned. Even more

important for us is the connection between the roles of the Commissions in Vietnam and in Laos and to a lesser extent in Cambodia. We have good legal grounds for arguing that the three armistice agreements are quite separate and that the roles of the Commissions must vary greatly. It is not suggested that we should abandon this correct position in our arguments in the Commissions. Nevertheless, it would be folly on our part to ignore the fact that the Communists are deliberately balancing Laos and Vietnam, and that the Indians tend to look at the political realities of Southeast Asia rather than the terms of the written agreements. Furthermore, public opinion throughout the world, less mindful of the legalities than the Department of External Affairs, is inclined to think roughly that what the Commission does in Vietnam, it should do in Laos and vice versa. Even if we disagreed in principle with this conception, we should have to come to terms with it because of the necessity of trying constantly to associate the Indians with us in all three countries.

9. It should also be said that there is some historical justification for the conception of the Geneva Agreements as a package deal. It was a nasty bargain accepted by all parties as the only way to avoid a dangerous conflagration. It can be justified only as such; its terms are not based on great moral or legal principles. A deadlock was reached in the middle of the Geneva Conference which was broken when Chou En-Lai made privately to Eden concessions which were recognized at the time as meaning that the Communists were prepared to allow Laos and Cambodia to join the neutral bloc if Vietnam could be allowed to proceed in due course and by the most respectable methods into the Communist camp. We are not obliged to recognize this bargain to the extent of considering that South Vietnam should now be pushed into the arms of Ho Chi Minh, but we should constantly remember that the Communists see the Geneva Agreements in these terms and can be negotiated with further only on these terms. We can proclaim, as we undoubtedly should for the record, that it is entirely wrong for the Viet Minh to use the Pathet Lao as a means of securing their aims in Vietnam but we must not expect to achieve anything thereby.

10. It follows from the above arguments that the urgent steps pending in Laos must be taken with the situation in Vietnam in mind. In Laos, our friends, the Americans in particular, are pressing us strongly to find the Pathet Lao guilty and refer our findings to the Co-Chairmen. We have ourselves been proceeding in this direction because it has seemed the only honest thing to do, but we have been trying consistently to remind the Americans that although such a reference to the Co-Chairmen may satisfy our consciences, it is not likely to move us much closer to the unification of Laos, which is our primary concern. The British are more aware of this problem because they are on the receiving end of reports to the Co-Chairmen and only too well aware of the unlikelihood of Messrs. MacMillan and Molotov delivering up Phong Saly and Sam Neua. We must bear in mind, furthermore, that in Vietnam the last thing we want at this moment is a reference to the Co-Chairmen. We do not want a reference concerned with 14(e) because the South Vietnamese would inevitably come out the worse. We would refuse a reference to the Co-Chairmen on the question of electoral consultations because this is not the Commission's business, but we know that this question could not be ignored if there were to be serious talks between the Co-Chairmen on the situation in Vietnam. It seems almost certain, furthermore, that if we were to succeed in getting a majority reference from Vientiane which condemned the Pathet Lao, the Communists would retaliate by tossing Diem's "failure" to enter electoral consultations into the negotiations. We should thereby be forcing the Communists to raise a dangerous question which they have for some time now been prepared not to agitate.

11. To compromise at this point in Laos will be difficult and may upset our friends, particularly the Americans, unless we are able to get them to understand the need to look at Indochina or indeed all Asia as a whole and to agree that there is more at stake than scor-

ing points against the Communists. Such a compromise will be only one of many, if we are to continue balancing on the Indochinese tightrope. Yet we must bear in mind constantly that it is in our interest to hang on tight, to avoid controversies, to lie low and accept the best bargains possible. We may have to accept the *de facto* separation of Indochina into five rather than three states, never admitting that the condition is permanent but accepting the reality. (It may be that Laos will be healthier with the Communists confined to two minor provinces divorced from the body politic.)

12. One of the most serious consequences from our point of view of these tentative conclusions about the prospects of peace is that the Commissions may last a long time. Even in Cambodia we might have to ask ourselves whether we could force the issue lest we affect the delicate balance on which the essential commissions in Vietnam and Laos rest. We might of course consider a reduction in numbers, but, so long as the commissions are performing even perfunctorily their obligations, it is difficult to reduce them very much without placing an intolerable load on those who remain. The best we could hope for would be to do away with fixed teams in all three countries, as we are now seeking to do in Cambodia, and to depend entirely on mobile teams based at headquarters. Such teams would be unable to perform effectively the tasks allotted to them, but it is doubtful how effective they have been even at full strength in such tasks as supervising the Chinese frontier or investigating complaints under 14(e). In order to maintain the Armistice it might be sufficient merely to have the commissions in existence and *in situ* as symbols of international concern. This, however, could be a humiliating position in which we would be pretending to do something which we were not in fact carrying out. It goes against our grain to accept frustration and ineffectiveness, and it would be difficult to maintain the morale of our forces if they were required to do nothing but participate in a shadow play. The unhappy dilemma in which we are placed is that there are abundant reasons for our seeking to get the Commissions out of Indochina as soon as possible but on the other hand it would be a terrible responsibility to break the delicate structure on which the peace of Asia might depend.

[J.W. HOLMES]

641.

DEA/50052-A-40

*L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures
Ambassador in United States
to Secretary of State for External Affairs*

TELEGRAM 2010

Washington, December 7, 1955

SECRET

LÉGER-ROBERTSON DISCUSSION ON INDOCHINA

At the meeting of consultation on Dec. 5⁴³ it was agreed that the Under-Secretary and Walter Robertson should continue their discussion on Indochina in a separate meeting. This took place on Dec. 6. We shall forward a full report on this meeting in due course.⁴⁴ This telegram will touch only on the highlights of the conversation.

⁴³ Voir/See Document 307.

⁴⁴ Voir/See Document 308.

2. Léger indicated that the nature of the Commission's work in Vietnam was changing and that probably the main problems to be faced now centred on the relations between the Diem government and the Vietminh government. It was understood that the United States and Canadian governments shared a common interest in maintaining the Commission. It was apparent that, if the Commission was to continue, ways and means had to be found of keeping the Indians on the Commission. We were both aware that the Indians were unhappy with the lack of co-operation offered by the Diem government and that they might withdraw from the Commission in the next few months. We knew that the United States Ambassador in Saigon was urging on Diem the advantages of displaying a more co-operative attitude towards the Commission and on the elections issue.

3. Canadian experience on the Indochina commissions and the recent discussions in New Delhi between Mr. Pearson and Mr. Nehru, (Léger continued) had led us to appreciate the real connection between the situations in Vietnam and Laos insofar as the commissions had to deal with them. The Canadian government would prefer to have the commissions operate independently in the two states and under their separate terms of reference. It was a fact, however, that the other interested parties, the Chinese communists on the one hand and the Indians on the other, viewed the two situations as related parts of a larger problem. For this reason, in the Canadian view, decisions taken in Laos might precipitate a crisis with respect to Vietnam and Indian withdrawal from the commissions. The Canadian Commissioner would continue to press insofar as it was possible for a satisfactory finding in Laos. The Canadian government, however, hesitated to have him press too far too fast for fear of creating a situation which would result in the Commission's departure from the scene and a serious deterioration in the situation.

4. Robertson said that, while United States authorities realized why the communists wished to connect the settlements in Vietnam and Laos, there was not, in the United States view, any justification for linking the agreements. The different situations in the two countries were recognized even at the Geneva Conference and separate agreements had been worked out. It concerned the United States that the Commission in Laos was not able to make some statement to strengthen the Royal government position. The result was that the Pathet Lao, a dissident element, were put on the same basis as the Royal government and the situation was made to appear as that of two equal authorities trying to mediate a dispute.

5. So far as Vietnam was concerned Robertson was sure that we were familiar with the United States efforts to convince Diem to be more co-operative. Diem, however, had grown in stature in part by reason of his defiance of Western advisers. Vietnam had been divided at Geneva by alien powers — the Chinese communists and the French. The South Vietnamese were psychopathic on this point and had no intention of falling into the election trap. If elections "on the Geneva model" were carried out, South Vietnam would automatically be turned over to the Communists. On the other hand, some progress had been made in convincing Diem to correspond on the subject with the Vietminh. Robertson said he did not believe Diem would make any further decisions on the election question until after the National Assembly was convened in the South. The United States would continue the present policy of encouraging Diem to exchange views with the Vietminh on the holding of free elections. Diem was not amenable, however, to other people's opinions when he thought he was right, and the United States had no power to force Diem to do something to which he was unalterably opposed.

6. Robertson said the United States regarded the Commission's continued presence in Vietnam a "constructive and contributory factor towards stability". The United States would be disturbed if the Commission were to be disbanded. Nevertheless, consideration

had to be given to "how far one could go". It was the United States objective to do everything consistent with honour and principle to avoid war in this area as elsewhere. It did not seem likely that the Vietminh would pick conditions such as existed now, (i.e., with the presence of a Commission on which there was a Communist representative), to start fighting.

7. Léger said it seemed that Canadian and United States views did not diverge on the basic issues in Indochina. It seemed further that we did not disagree that a link existed between the commissions' problems in Vietnam and Laos. Our positions would be identical if we could agree that the Canadian Representative should always go as far as the Indian traffic would bear. He had wanted to put before the State Department the Canadian worry that, if we were to go further, the Indians might withdraw and the commissions would collapse.

8. You have now provided us with material elaborating the Canadian position set out by the Under-Secretary (e.g., your telegram G-2049 of Dec. 1†) and we shall take what opportunities are offered us to "persuade the State Department that it would be folly on our part to allow the Communists alone to plan their strategy with the whole of Indochina in mind".

A.D.P. HEENEY

642.

DEA/50052-A-40

*Le commissaire de la Commission internationale de surveillance
pour le Vietnam
au secrétaire d'État aux Affaires extérieures*

*Commissioner, International Supervisory Commission for Vietnam,
to Secretary of State for External Affairs*

TELEGRAM 622

Hanoi, December 14, 1955

CONFIDENTIAL. IMPORTANT.

Reference: Your telegram Y-520 of November 24, 1955.
Repeat Vientiane, Phnom Penh, Saigon, New Delhi.

ARTICLE 14(C)

Your telegram under reference and suggestions concerning new procedure to operate Commission activity in handling 14(c) cases would appear to be based on two main premises:

- (a) The Commission must first satisfy itself that large proportions of DR complaints are without foundation and have been advanced for propaganda purposes.
- (b) That there should first be a concerted effort by the French and South Vietnamese to clear the book of unfinished cases as quickly as possible.

2. It must be recognized that neither of these conditions has yet been satisfied. Although a number of replies have been received from French in answer to DR complaints referred by Commission, Commission is not on solid ground in stating that the PAVN is merely waging a propaganda campaign. The South's record on basis of team investigations covering the early period of the agreement has been a bad one and only a handful of the cases raised since August 1 have proven to be unfounded. In the overwhelming majority of new cases the Commission has received no substantive information from the South. The absence of this information in spite of repeated requests from the Commission and our own

persistent informal efforts in Saigon, tends to lend colour to the DR charges. While we are well aware of the propaganda aspects of present emphasis on 14(c) we are also aware that in the interests of internal security in South Vietnam, there has been a concerted programme of anti-communist action involving many arrests throughout the country. Some at least of these arrests no doubt warrant investigation as possible violations of Article 14(c). Further, in the anti-communist report of the South we do not believe that such arrests will cease, and despite our continuing pressure on the South Vietnamese to cooperate with the Commission in this and other matters, we have no definite indication that they will in fact do so.

3. It must also be recognized that there is no formal request before the Commission for any new procedure to moderate Commission action with respect to Article 14(c). The actual position is that the agenda is overloaded with new charges and complaints, and requests for follow up procedures on previous cases which have been taken up with the French. The cumulative effect if the recent trend is allowed to go unchecked is that the fifth and sixth interim reports will contain severe criticism of South Vietnam. In this connection if any initiative is to be taken on the lines of the views expressed in paragraphs four to seven of your telegram under reference this must presumably be done by the Canadian Delegation. We are quite prepared and indeed anxious to do so, and at an early date to make clear our views as to the general policy which we consider should be followed in handling 14(c) cases. Such a statement in the Commission might include the following points:

(a) The Canadian Delegation objects in principle to [the?] [Commission'?'s] present procedures for handling 14(c) cases [which?] imply that the South cannot be trusted to try and sentence a former Viet Minh supporter fairly when he has been arrested for a common law offence unless the Commission keeps intervening;

(b) The procedures are impractical because the Commission does not have enough people to deal thoroughly with each case, nor has it experts competent to make a meaningful assessment of whether a trial has been fair according to the standard of North or South Vietnam;

(c) We propose that arrests for common law offences should not be followed up unless new evidence is brought forward to indicate that a formal support of either party is either being held in jail without trial or has received an excessive sentence;

(d) We have grave doubt about the régime of "democratic liberty" in the North, but because of the Commission's restrictive interpretation of Article 14(c) cannot intervene. The consequence therefore is that the Commission's activities and efforts tend to be wholly "ene wal" [unequal?] (previous word in quotes received corrupt. Appears as was received.) and to give a distorted picture of the true situation with respect to democratic liberties in Vietnam.

4. You will recognize that we shall certainly face Polish opposition and possibly Indian opposition as well in putting forward these proposals. Further, to abandon the question the statement of the South that action is being taken against individuals on common law charges will prevent us from following up the few cases which we have been able to muster in the North, e.g. the case of Sister Toan, who was arrested at Phat Diem ostensibly on grounds of stealing church property. Despite these disadvantages, however, we consider [that?] the time has now come for a determined effort on our part to [?] the scope of the Commission's efforts in dealing with [these?] allegations. Before proceeding, however, I thought it essential to draw the present situation to your attention and request your final instructions. As you will recognize the obligations of this course are that at a subsequent

stage we would probably be forced into taking up a public minority position with respect to 14(c) as has been necessary in the case of 14(d).⁴⁵

[D.M.] JOHNSON

643.

DEA/50052-A-40

*Note du sous-secrétaire d'État aux Affaires extérieures
pour le secrétaire d'État aux Affaires extérieures*

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

CONFIDENTIAL

[Ottawa], December 23, 1955

THE NEXT MOVE IN VIETNAM

Mr. Holmes' memorandum of November 30 entitled "Canadian Objectives in Indo-china" (copy attached) indicates the general lines along which we should move in Indo-china in the next few months.⁴⁶ The purpose of this memorandum is to consider the major immediate problem facing us in Vietnam, and to seek your approval for a course of action to deal with it.

2. The immediate problem in Vietnam is the future of the International Commission — should it be kept in being despite the anomalies of its present position and despite the virtual certainty that there will be no political settlement in the foreseeable future to replace the present military settlement which the Commission is charged to supervise? These two factors affecting the Commission's future have become linked and there is no need to consider them separately.

3. However bad a bargain the Geneva settlement may have been, and however unworkable its political provisions, it is clearly in our interests and in the interests of our friends that the military armistice which has been achieved should be maintained. Furthermore it is quite clear that the parties are legally obliged to maintain it. The Cease Fire Agreement — concerning the status of which as an international agreement there is no shadow of doubt — does not prescribe any condition under which the provisions of the agreement would be no longer binding on the parties. Furthermore the term of the agreement is not limited by any calendar date. (July 1956 is mentioned only in the Final Declaration.) From the nature of the Geneva settlement as a whole and from the text of the agreement it is clear that the provisions of the Cease Fire Agreement are intended to apply "pending the general elections which will bring about the unification of Vietnam" (Article 14). Until elections and consequent reunification take place, therefore, the parties remain bound by the Cease Fire Agreement, unless they can be relieved of these obligations by entering into some new agreement short of a political settlement which might replace the Cease Fire Agreement. There is an analogy with the situation in Korea.

⁴⁵ Ce texte a été rétabli à partir du meilleur original disponible. Le projet de déclaration a été approuvé par le ministère le 28 décembre 1955. Voir Ottawa à Hanoi, télégramme N° Y-555 du 28 décembre 1955, MAE/50052-A-40.

This text was reconstructed from the best available original. The proposed statement was approved by the Department on December 28, 1955. See Ottawa to Hanoi, Telegram No. Y-555, December 28, 1955, DEA/50052-A-40.

⁴⁶ Voir/See Document 640.

4. The arrangements for international supervision form an integral part of the Cease Fire Agreement, and just as the parties are under legal obligation to observe its provisions on a continuing basis, so the Commission Powers, by virtue of their acceptance of the invitation from the Geneva Conference Powers to form the international commissions, are under a continuing legal obligation to provide the international supervision prescribed in the Cease Fire Agreement until the agreement is superseded by the political settlement envisaged in the Final Declaration or by some other agreement between the parties. Withdrawal of one of the supervisory powers from the Commission prior to one or other of these developments would, therefore, be a technical breach of a legal obligation,⁴⁷ and however justifiable on other grounds, would unquestionably affect the sense of legal obligation which the parties to the agreement may have towards the maintenance of the armistice.

5. Quite apart from the legal aspect of the problem, withdrawal of one of the supervisory powers from the Commission could have very far-reaching practical effects which might seriously jeopardize the maintenance of the armistice. In his memorandum Mr. Holmes has mentioned the value of the Commissions as "symbols of international responsibility" and that they "serve therefore as an important deterrent". It is perhaps only necessary to add here that the military demarcation line in Vietnam, never having been a battle line, lacks the stability of the line in Korea, and without the presence of the International Commission in Vietnam could very quickly become an area of dangerous friction between the two halves of Vietnam, particularly since the South Vietnamese Government exercises very uncertain control in that era.

6. In the light of the foregoing observations recent indications of Indian thinking about the future of the Commission assume an ominous importance. The Indians have made known to us informally on a number of occasions that unless something is done to put the Vietnam Commission on a new and firmer legal basis, they will have to give notice soon (perhaps in March) of their intention to withdraw from the Commission in July.

7. India is the only country concerned with Vietnam which appears to be contemplating action which might threaten the maintenance of the armistice.⁴⁸ The communist governments — Poland, the USSR, Communist China and even the Democratic Republic of Vietnam do not appear to wish to disturb unduly the status quo — i.e. continuance of the armistice and stalemate on the political settlement.⁴⁹ In varying degrees they have demanded that South Vietnam get on with the electoral consultations, but none of them has made any threats, either implicit or explicit, of dire consequences if the South Vietnamese do not perform by a certain date. This situation could of course change quickly; but for the present it seems that Mr. Molotov's dilatory attitude last month at Geneva towards Indochinese problems reflects a general inclination on the part of the Communist powers to let things be for the moment.

8. Polish support for the line which the Indians took in the Fourth Interim Report is not necessarily inconsistent with this interpretation: it is probable that the principal reason for the Poles' following the Indian lead in this matter was their desire to step up pressure on the South Vietnamese Government.

⁴⁷ Note marginale /:Marginal note:
? [L.B. Pearson]

⁴⁸ Note marginale /:Marginal note:
? [L.B. Pearson]

⁴⁹ Note marginale /:Marginal note:
Merely to ignore or evade it when they so desire [L.B. Pearson]

9. Basically, the French, British and the Americans all have the same long-term objectives in view in Vietnam: the establishment of a strong non-communist government with a broad national basis. Similarly, the French, U.K. and U.S. governments have the same short-term objective in the sense that none of them wishes to see any reconvening of the Geneva Conference powers or any major reconsideration of the Geneva settlement within the next few months.

10. The South Vietnamese Government's attitude towards the Geneva settlement is fairly clear. Foreign Minister Mau indicated to Mr. Johnson on December 6 that the South Vietnamese Government would not be prepared to assume any specific legal responsibility as successor to the French High Command for any of the residual tasks remaining under the Cease Fire Agreement, or to participate in any new agreement or redefinition of the Geneva settlement. While favourable to the continuance of the International Commission for the time being, the South Vietnamese will take no responsibility for proposing that the Commission should either continue or discontinue with its activities. Like the other governments mentioned above, therefore, the South Vietnamese favour the continuance of the status quo provided they can maintain their attitude of being in no way bound or committed by the Geneva settlement. This attitude is of great value to the Diem régime domestically, but it is also very useful internationally, in that so long as the South Vietnamese refuse to accept responsibility as a participant in the Geneva settlement the other Geneva Conference powers must be responsible. In a sense this ensures that the other Geneva Powers guarantee the armistice and hence the security of South Vietnam.

11. India's motive for advocating a revised settlement and a new set of instructions for the Commission appears to be a desire to escape from continued participation in an arrangement which appears to them to be fraudulent. Recent Communist propaganda has harped on the theme that the South Vietnamese refusal to participate in electoral consultations is an American plot to prevent the Geneva bargain from being completed and to prepare the way for American aggression against the Viet Minh and the Chinese People's Republic. Even if the Indians do not believe this sort of thing they are undoubtedly influenced by it. They are probably afraid that if they do not make some gesture of protest against the continuance of the status quo (and hence the non-fulfilment of the Geneva bargain) they will be regarded by the Russians and the Chinese as having permitted themselves to be "used" by the Americans in frustration of the Geneva settlement.

12. The Indians are probably not unduly dismayed by the fact that the continuance of the status quo in Vietnam prevents the Viet Minh from taking over the whole country. In other words the stalemate in Vietnam as such probably does not bother them much: it is their own apparent collusion in the frustration of the Geneva settlement that seems to upset them. The Commission under Indian chairmanship was asked to do a supervisory job in Vietnam which was originally conceived as the first stage towards a political settlement; this presumptive basis for the task seems to be no longer valid, since it is clear that there is not going to be a political settlement as and when envisaged by the Geneva agreements. Therefore the Indians wish to have a new basis for the continued performance of the supervisory task, or that part of it which will remain to be done after July 1956. They want a marriage ceremony to legitimize the changeling "settlement" which has replaced the settlement originally conceived at Geneva, so that they will not be accused of condoning illegitimacy.

13. Within the Commission the Indians have been pressing for the formal assumption of legal responsibilities under the Geneva Cease Fire Agreement by the South Vietnamese and for a resolution of the difficulties arising out of the refusal of the South Vietnamese to get on with the pre-electoral consultations. Informally and outside the Commission the

previous and present Indian Commissioners have been talking about revised terms of reference for the Commission, a redefinition of the Cease Fire settlement, or some alternative arrangement outside the Geneva settlement. The disadvantages of these proposals will be discussed below. In order to exert pressure on the South Vietnamese to assume formal legal responsibilities under the Geneva settlement and, at the same time, in order to force the pace towards a recasting of the Cease Fire settlement the Indians have been talking about withdrawing from the Commission if some move has not been made within the next few months. There is some reason for suspecting that this talk of withdrawal is not much more than a threat — that it is two thirds bluff. It is hard to imagine that India, which values its reputation for responsibility in the international field so highly, and which has a special interest in peaceful conditions in an area so close to its own borders, should seriously contemplate taking a step which would immeasurably increase the threat of renewed hostilities in Indochina.⁵⁰

14. While the threat of Indian withdrawal may be regarded as a ploy to force the revision of the Geneva settlement (or to force the hand of the South Vietnamese) it would certainly not be wise for the governments concerned to force India to the point of having to decide whether or not to carry out this threat. In other words it is in the interests of Canada and other friendly governments to respond to Indian pressure and to seek a solution to the present impasse which will preserve the armistice and enable the Indians to carry on their supervisory task with a clear conscience, and to do this before the Indians take too rigid a position as to what they will accept as a condition for their carrying on.

15. From conversations which Mr. Johnson has had with Mr. Desai and Mr. Parthasarathi the Indians are thinking mainly of new terms of reference for the Commission which would define its continuing tasks and provide the Commission with a more satisfactory legal "sanction" for the performance of its tasks. Mr. Desai has also suggested that if this would not be acceptable to the South Vietnamese some arrangement outside the Geneva settlement might be worked out. From conversations which Mr. Johnson has had with Foreign Minister Mau of South Vietnam, we know that such solutions would not be acceptable to his government.

16. There are other considerations, however, which militate against a solution along the lines mooted by Mr. Desai, and since the Indians are unlikely to be sympathetic to South Vietnamese obduracy on this point, it is perhaps desirable that particular attention should be paid to these other considerations in any discussions which we have with the Indians on the solution to the present problem.

17. If the Commission powers were to ask the Geneva Conference for new terms of reference for the Commission, they would in fact be demanding a renegotiation of the whole package deal of the Geneva settlement, since it would be impossible to alter one aspect of the settlement without bringing the whole range of it into the bargaining. Renegotiation of the whole settlement, particularly under the threat of Indian withdrawal from the Commission with the consequent prospect of the collapse of the International inspection system,⁵¹ would introduce a dangerous element of fluidity into the Indochinese situation at a time when the stabilizing influence of the armistice itself, and particularly the steady effect of the ISC would be most necessary.

⁵⁰ Note marginale :/Marginal note:
? [L.B. Pearson]

⁵¹ Note marginale :/Marginal note:
how effective is it in any case? [L.B. Pearson]

18. Furthermore, a request for new terms of reference for the Commission would in effect be a demand that the unrealistic nature of the political settlement for Vietnam outlined in the Final Declaration be openly recognized and that it be replaced with a more realistic programme for a political settlement. The drafting of a realistic programme would mean that most of the high-sounding objectives of the Final Declaration would have to go out the window. Sensible as such a project might be, it must be recognized that it would be tantamount to asking the Viet Minh to surrender their birthright for a mess of pottage. For their own domestic political reasons the Viet Minh have interpreted the political settlement provisions of the Final Declaration as virtually their title deed to the whole of Vietnam, and we can be quite sure that they would resist to the uttermost any attempts to part them from it. Even though they cannot get delivery on the political half of the Geneva bargain they still have an unfulfilled claim which will have a continuing value for them both domestically and internationally. A renegotiation of the Geneva settlement in more realistic terms would require a modification of the bargain — something which the Viet Minh could never accept and in which the Communist Chinese and the Russians could hardly acquiesce. This is a most important consideration which the Indians do not appear to have taken into account.

19. The conclusion is inescapable that the Indian idea of new terms of reference for the Commission is impracticable, and that it is essential to get along somehow with the half settlement we already have. The problem, therefore, reduces itself to finding some "obscure formula" (as Mr. Macmillan put it) which can be accepted for the time being by all the Geneva Conference Powers — as well as the Commission powers — in such a manner as to give the Commission the necessary sanction to carry out such residual tasks as may remain after July 1956 "pending the general elections which will bring about the re-unification of Vietnam".⁵²

20. Possibly the best way to do this would be for the Commission Powers to make a report to the Geneva Conference Powers which would require little more than assent by silence to preserve the present framework of the armistice and international supervision of it. The Commission powers might, for instance, report to the co-Chairmen that most of the provisions of the Cease Fire Agreement have been carried out, might indicate the nature of the residual tasks (supervision of the demilitarized zone, supervision of the entry and departure of military personnel and military equipment, supervision of residual tasks under Articles 14(c) and 14(d) and then continue in the following vein:

In accepting membership on the International Supervisory Commission the Supervisory Powers acted on the assumption that their responsibilities would terminate shortly after July 1956, by which time the political settlement envisaged in the Final Declaration of the Geneva Conference was to replace the armistice settlement. Developments since July 1955 suggest that it may not be possible to bring the political settlement into effect by the date originally conceived. Until such time as a political settlement is agreed upon and put into effect by the competent representative authorities of the two zones of Vietnam, the Cease Fire Agreement will remain in effect. With the consent of the Geneva Conference Powers and in the absence of any fresh directive from them, the Commission Powers will continue to perform the supervisory tasks⁵³ assigned to them in the

⁵² Note marginale :/Marginal note:
and to stay in Indo-China indefinitely [L.B. Pearson]

⁵³ Note marginale :/Marginal note:
how long? [L.B. Pearson]

Cease Fire Agreement, subject to such reductions in the activities of the Commission as may be agreed upon in accordance with Article 46 of the Cease Fire Agreement.

21. Anything but outright rejection of such a proposal could be regarded as the assent of the Geneva Conference Powers, including the South Vietnamese. Given such assent it could be assumed that all the Geneva Conference Powers recognize — albeit tacitly — the unworkability of the existing programme for a political settlement but wish to see the armistice continue in effect. The door would not be closed to initiatives from any quarter for the working out of the first stages of a political settlement, but the armistice itself and the international supervisory system linked with it would be confirmed by all the parties concerned.

22. Selling this project to the Indians will be a difficult task and may require repeated efforts at persuasion over a considerable period. It would be desirable to concentrate the main effort of persuasion in New Delhi, particularly as Mr. Desai, whose recent experience in Vietnam is likely to make him more amenable to our line of argument than the new Commissioner, Mr. Parthasarathi, will be occupying a key position in the Indian Ministry of External Affairs.

23. We would propose to ask Mr. Reid to raise the following points with the Indians:

(a) Desirability of maintaining the armistice as an essential prerequisite for peace in the area (perhaps with some allusion to the probability of a much more active role for the United States and SEATO in the area should the armistice settlement begin to come apart);

(b) Legal obligation of the Supervisory Powers to continue their task, and the bad moral effect of reneging on these obligations;

(c) Impracticability of a request to the Geneva Conference Powers for new terms of reference for the Commission with special reference to the probable attitude of the Viet Minh;

(d) Comparison with Korea, where the armistice was based on the assumption of a political settlement which is still a long way off, but is nevertheless reasonably stable;

(e) Comparison of the practical cooperation of the South Vietnamese with the Commission with the vociferous opposition of the South Koreans to the NNSC;

(f) Comparison with the situation in Laos, where a roughly parallel situation also clearly requires the continued presence of the International Commission.

We would propose to enlist the support and cooperation of the British in this démarche.

24. You will be aware that one feature of the plan outlined above is that it will not enable us to terminate our commitment in Indochina in the near future. Given the long term objectives of our own policy in the area and those of other friendly governments this seems inescapable. We should, perhaps, be able to take another look at this aspect of the problem in another eight or nine months. Once we have passed the magic date of July 1956 and all governments concerned get accustomed to regarding the political settlement provisions of the Geneva settlement as a dormant letter, the armistice should achieve something of the stalemate stability that we have in Germany and Korea, and we will be able to contemplate with more equanimity the withering away of the International Commission.

25. Meanwhile, in conjunction with our discussions with the Indians as suggested above, we would propose to carry out an intensive review of the Commission's residual tasks after July 1956 with a view to reaching agreement on the maximum possible reduction in the Commission's activities consonant with the maintenance of the armistice and the international supervisory system.

26. Your authority is requested to prepare instructions for Mr. Reid to begin discussions with the Indians along the lines suggested, and for Mr. Robertson to take the matter up with the United Kingdom.

J. L[ÉGER]

SECTION B

CAMBODGE

CAMBODIA

644.

DEA/50052-C-40

*Le secrétaire d'État aux Affaires extérieures
au commissaire de la Commission internationale de surveillance
pour le Cambodge*

*Secretary of State for External Affairs
to Commissioner, International Supervisory Commission
for Cambodia*

TELEGRAM 54

Ottawa, May 28, 1955

SECRET. IMMEDIATE.

Reference: Your telegrams Nos. 66,† 67† and 68.†⁵⁴

Repeat New Delhi No. 345; Hanoi No. 217.

U.S. MILITARY AID AGREEMENT WITH CAMBODIA

As the text of the Agreement⁵⁵ was just received late this Friday afternoon, we are able to offer at this time only the preliminary views of the Legal Division on the two specific points raised by the Indian Chairman which are mentioned in your telegram No. 68.

2. Legal Division's preliminary views are as follows:

Clause (c) of Footnote

This clause is not inconsistent with the Cease Fire Agreement⁵⁶ (and specifically Article 7 of that Agreement) for these reasons:

⁵⁴ Pour un rapport sommaire des activités de la Commission jusqu'à ce point, voir le document 593, paragraph 21.

A summary report on Commission activities until this point can be found in Document 593, paragraph 21.

⁵⁵ Voir/See United States, Department of State, *United States Treaties and Other International Agreements, 1955, Volume 6, Part 1*, Washington: United States Government Printing Office, 1956, pp. 995-1006.

⁵⁶ Pour le texte intégral de l'accord de cessez-le-feu au Cambodge que devait surveiller la CISC, voir France, Ministère des Affaires étrangères, *Conférence de Genève sur l'Indochine (8 mai-21 juillet 1954)*, Paris: Imprimerie nationale, 1955, pp. 427-442.

For the complete text of the ceasefire agreement for Cambodia that the ICSC was to supervise, see United Kingdom, Parliamentary Papers, Cmd. 9239, *Further Documents relating to the discussion of Indo-China at the Geneva Conference June 16-July 21, 1954*, London: Her Majesty's Stationery Office, 1954, pp. 11-18.

The undertaking by Cambodia to make a full contribution "to the development and maintenance of its own defensive strength and the defensive strength of the free world" is merely an assertion of the inherent right of individual or collective self-defence recognised in Article 51 of the [U.N.] charter.

This undertaking on the part of Cambodia does not, in our opinion, constitute a military alliance not in conformity with the principles of the Charter nor does it embody any obligation to establish bases on Cambodian territory for the military forces of foreign powers. Further it should be noted that Cambodia undertakes, in para. 4 to utilize the equipment and materials furnished under the Aid Agreement "solely for the maintenance of its internal security and legitimate defence of its territory".

Para. 2 of Annex A

We take it that the objection is to Cambodia permitting the passage through Cambodian territory of United States military aid material destined for other countries. This does not conflict with the provisions of Article 7 because, in cases such as this, the Government of Cambodia would not itself be soliciting foreign aid. There is no provision in the Cambodian Agreement (along the lines of Article 9 of the Laos Agreement) which could be interpreted as prohibiting the passage through Cambodia of war material. Even if there were, there would not be a violation of the Cease-fire Agreement until such time as war materials were brought into the country.

3. Please keep us informed. We shall forward you as soon as possible the further views of the Legal Division but do not necessarily wait for these before giving our preliminary views to the other Commissioners.

645.

DEA/50052-C-40

*Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis*

*Secretary of State for External Affairs
to Ambassador in United States*

TELEGRAM EX-992

Ottawa, May 30, 1955

SECRET. IMPORTANT.

Reference: Your letter No. 850 of May 20.†

UNITED STATES-CAMBODIA MILITARY AID AGREEMENT

The Chairman of the International Commission in Cambodia was given a copy of this Agreement on May 23 and the Commission has been examining it to determine whether it is entirely consistent with the relevant provisions of the Cease-fire Agreement. At first the Chairman was concerned about paragraph nine but later he was more concerned about clause (c) of the footnote to the second paragraph of the introduction which ends "and the defensive strength of the free world", and with the second sub-para. of para. two of Annex A. The Chairman and the Polish Commissioner have been pressing for an interview with the Cambodian Government to express the Commission's concern with these two points. We have already repeated to you the text of our preliminary telegram No. 54 of May 28 to Phnom Penh.

2. Please inform the State Department along the lines of para. one and ask whether they have a specific Legal Opinion on the compatibility of the Military Aid Agreement with the

relevant provisions of the Cease-fire Agreement (in particular, Article 7). If they have one, we would like to see it to supplement our own legal opinion which we are now preparing.

3. You might inform the State Department that on May 14 Ambassador McClintock informally assured the Indian Chairman and our Acting Commissioner that "all concerned were careful not to contravene the terms of the Geneva Agreement". However, we were not shown the Agreement before it was signed nor have we any report from our Delegation that any prior detailed discussion was held with the American Embassy or with the Cambodian Government on the relationship of specific clauses of the Military Aid Agreement to Article 7 of the Cease-fire Agreement. Hence we would like to have the benefit of any paper which the Americans may have produced on this question. You might also, if you consider it advisable, hint that it would have been particularly helpful if some advance discussion had been held with us or, at least, if we could have been shown a copy of the Agreement in advance. If consideration is being given to concluding an agreement with Laos (the relevant provisions of the Laos Cease-fire Agreement are much more restrictive than are those of the Cambodian Agreement) our Delegation will have to be very carefully briefed beforehand. As the Americans are aware, the Poles automatically raise objections to these Agreements and, what is more worrisome, the Indians are viewing them with some concern.

4. Because of its length, we are sending you by bag a copy of telegram No. 67 of May 23[†] from Vientiane which contains the text of the Military Aid Agreement. No doubt you can obtain a copy from the State Department and so you need not wait for the bag.

646.

DEA/50052-C-40

*L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures
Ambassador in United States
to Secretary of State for External Affairs*

TELEGRAM WA-895

Washington, May 31, 1955

SECRET. IMPORTANT.

Reference: Your telegram EX-992 of May 30.

UNITED STATES-CAMBODIA MILITARY AID AGREEMENT

We discussed on May 31 the contents of your telegram under reference with Hoey and Purnell of the State Department's office of Southeast Asian Affairs. They said that they did not, repeat not, at the moment have in the State Department a clear copy of the agreement in its final form. The original draft had gone from the State Department but over the almost four months of negotiation numerous changes had been made. While these changes were known to the State Department, they had not been drawn together into a revised document. The State Department expected to receive sometime this week by pouch a copy of the agreement as finally concluded. The State Department had not believed there was any urgency in having the final text in Washington.

2. Hoey said that as soon as the final text had been received he would be glad to ask the State Department's legal adviser for opinions on the points which are raised in your telegram under reference. He believed, however, that the reply would be in general terms. As various points had arisen in the course of the negotiation of the agreement with the

Cambodians, the Legal Adviser's Office had participated in the opinions sent from Washington. It had been taken for granted that nothing would be included in the agreement which would constitute a violation of the Geneva accords. Presumably, therefore, the Legal Adviser's opinion would be simply that the agreement did not contravene the Geneva agreement. There was nothing in it; (a) which obligated Cambodia "to enter into a military alliance not in conformity with the principles of the charter of the UN"; (b) which provided for the establishment of bases on Cambodian territory; or (c) which constituted a Cambodian acceptance of foreign aid for other than the effective defence of its territory. So far as Hoey was aware, therefore, on all of these specific points the agreement was in harmony with Article 7 of the Cambodian cease-fire agreement.

3. Hoey said the new agreement simply brought up to date the mutual defence assistance agreement between the United States, France and the Associated States of December 1950 (treaties and other international acts, series 2447, copies of which you already have.)

4. Hoey showed us a number of recent telegrams from Phnom Penh, one of which reported that the Canadian representative on the International Control Commission had already made known his view in the Commission that nothing in the United States-Cambodian agreement contravened the Geneva accords. Another message which we saw reported that on May 29, the Cambodian Government issued a statement which asserted; (a) that the United States-Cambodian agreement involved neither military bases nor an alliance; (b) that the numbers of the United States MAAG were to be limited to some 30-odd personnel; (c) that the agreement was in complete consonance with the Geneva accords; (d) that Cambodia intended to observe the undertakings given at Bandung by its representatives with respect to its neutrality, and (e) that the agreement, in providing for direct aid to Cambodia (ie, not through the French), in fact represented an enhancement of Cambodia's national independence.

5. Hoey made no direct comment on the rights or wrongs of the International Commission's involving itself in what might be thought of as the internal affairs of Cambodia. By indirection, however, he left the impression that, in the United States view, an agreement such as that recently concluded, which took cognizance of the Geneva agreements, should not be a matter of great concern to the International Commission. He said he believed the Cambodian Government would hold the view strongly that it did not have to account to the International Commission in this instance. He said it occurred to him in addition that if the Commission did believe that it should investigate agreements concerning military aid concluded by Cambodia after the Geneva conference, it should properly examine the agreement concluded in December 1954 between France and Cambodia, which he understood went much further than the United States-Cambodian agreement in providing for French training of Cambodian personnel. The French-Cambodian agreement had never been made public and in fact had never been shown to the United States Government although its main lines were known to United States authorities. The United States-Cambodian agreement will be made public in the normal course of events.

6. Hoey said that consideration had been given some time ago to providing the Canadian Government with a copy of the agreement in advance. It had been decided, however, that such a course of action might embarrass us and might have appeared as an attempt to prejudice the views of the Canadian member of the International Commission. In any case, while United States authorities had guessed that the Poles might automatically raise objections, they had believed that the agreement was so innocuous that there would be no special difficulty in defending the view that the agreement in no way violated the Geneva accords. Hoey went on to say that now that we had expressed an interest in this agreement and in any future agreements which might be considered (e.g. with Laos) there would be

no hesitancy on the part of the State Department in bringing us into the picture in advance. (Hoey's explanation seems reasonable to us in that on a number of occasions we have on your instructions made it clear to the State Department that our actions on the Commission must be free of any suggestion of collusion with other interested governments).

7. Hoey said that the attitude of the Indians with respect to the United States-Cambodian agreement caused concern in the State Department. It was difficult to understand what the Indian desires were with respect to Cambodia or, indeed, Laos and South Vietnam. The Indians seemed always suspicious of United States motives but had never made any concrete offer to "share the burden" in that area. The rumoured agreement reached at Bandung between India and China as to Laos and Cambodia being protectorates of India remained in the status of rumour so far as the State Department was concerned. At no time had the Indian Government made any suggestion to the United States Government that they were willing to offer concrete assistance (particularly military assistance) to the three states. (Hoey's remarks reminded us of the report in New Delhi's letter No. 437 of April 13† of the Indian Secretary-General's remarks that the United States Chargé d'Affaires had expressed United States opposition to an Indian military mission in Cambodia. Hoey's flat assertion noted above seems to us to cast some doubt on the Secretary-General's comment.) Every effort, Hoey said, would continue to be made to disabuse the Indians of the belief that the United States was attempting to upset the peace of the area.

A.D.P. HEENEY

647.

DEA/50052-C-40

*Le commissaire de la Commission internationale de surveillance
pour le Cambodge
au secrétaire d'État aux Affaires extérieures*

*Commissioner, International Supervisory Commission for Cambodia,
to Secretary of State for External Affairs*

TELEGRAM 76

Phnom Penh, June 10, 1955

CONFIDENTIAL. IMPORTANT.

Reference: Our telegram No. 75 of June 9.†
Repeat Hanoi, New Delhi.

MILITARY ASSISTANCE AGREEMENT

1. As reported China advised India that MAA would violate Geneva and would free her to rearm Viet Minh. Delhi considers MAA would violate spirit of Geneva, Poles that it would violate text as well. Chairman appreciates legal weight of Canadian view but emphasizes spirit of agreements and political effect on "other side" apparent that Poles and Indians take parts of agreement out of context and judge them in the light of political considerations extraneous to Geneva.

2. Informal meeting this morning brought out following:

(a) All commissioners agree that Cambodia entitled to obtain military aid from any source for the effective defence of her territory;

(b) Chairman insists and Poles agree that following contravene Geneva.

(1) Inclusion of phrases "subject to the requirements and limitations of any United States legislation" in second paragraph of MAA because it (ties?) Cambodia to United

States legislation. This appears to be a reference to United States-Cambodian agreement of 1951 concluded under terms of mutual security act.

(2) Phrase "free world" in clause (c) of footnote second paragraph because it puts Cambodia firmly in a bloc.

(3) Paragraph 9 because it commits Cambodia to supplying United States or other states all assistance to increase capacity for collective defence or facilitate effective participation in collective security and this goes beyond role assigned Cambodia at Geneva.

(4) Annex (a) paragraph 2, second sub-paragraph, because it commits Cambodia to allowing passage of war materials under all and any circumstances thus endangering her neutrality.

(c) Pole also insisted that following contravenes Geneva but Chairman did not agree.

(1) Paragraph 7 and annex (b) because they permit the storage of surplus (he interprets this to mean excess) war material for use elsewhere as the United States may dictate.

(2) Paragraph 112 and paragraph 1 of annex (a) because they give United States personnel a measure of control of Cambodian army.

(d) I have strongly opposed all these views and have given reasons but I appear to be unable to convince Chairman or Wolniak. Next informal meeting is tomorrow afternoon to continue discussion and try to find further points of agreement.

(e) Any additional opinions you have will be appreciated.

[R.] DUDER

648.

DEA/50052-C-40

*Le commissaire de la Commission internationale de surveillance
pour le Cambodge
au secrétaire d'État aux Affaires extérieures*

*Commissioner, International Supervisory Commission for Cambodia,
to Secretary of State for External Affairs*

TELEGRAM 77

Phnom Penh, June 13, 1955

CONFIDENTIAL. IMPORTANT.

MILITARY ASSISTANCE AGREEMENT

Reference: Our telegram No. 76 of June 10th.

1. At informal meeting on June 11th Indian and Pole continued to insist that MAA contravenes Geneva and would not modify their views as given in telegram under reference.

2. Chairman feels discussion has gone far enough and suggests three courses for commission.

(a) Forward to co-chairmen majority statement that MAA contravenes Geneva.

(b) Attempt to persuade Cambodia and United States to amend MAA to eliminate offending clauses.

(c) Ask Cambodia and United States to give categorical statement explaining details of offending clauses in an attempt to assure us that clauses do not mean what Indian and Pole think they mean.

3. Chairman is prepared to adopt (c) and say he will accept unequivocal statement from Cambodians and United States. Pole is not prepared to do so and holds out for amendment.

4. We know United States are not (ready?) to make a statement as they are not signatories of Geneva. We might be able to make compromise with Indian to request statement only from Cambodians if you agree but we may have to go whole way with (c). Would appreciate instructions. Have asked Hanoi for services of legal adviser.

5. Yesterday June 12 chairman said his government had requested ratification through diplomatic channels. He added Chinese had been pressing Indian Government for last month. McClintock told me if commission attacks agreement he will himself brief Cambodians on effective rebuttal. Our view is that Washington will react strongly to criticism.

[R.] DUDER

649.

DEA/50052-C-40

*Le secrétaire d'État aux Affaires extérieures
au commissaire de la Commission internationale de surveillance
pour le Cambodge*

*Secretary of State for External Affairs
to Commissioner, International Supervisory Commission
for Cambodia*

TELEGRAM 60

Ottawa, June 16, 1955

CONFIDENTIAL. IMMEDIATE.

Reference: Your telegrams 76 and 77 of June 10 and [13].

MILITARY ASSISTANCE AGREEMENT

Your two telegrams under reference received only late yesterday (June 14) and this morning (June 15) respectively.

2. As the United States Government did not join in the Final Declaration of the Geneva Conference you should take the position that it would be improper for the Commission to request the United States Ambassador to make a statement. If the statement made by the Prime Minister to the Commission on May 28 is considered by your colleagues not to have covered all the points which they are concerned with then we think it would be in order to request a further statement.

3. We suggest that you should seek an appropriate way to advise the Cambodians confidentially and in your personal capacity that you think a mild and forthcoming reply along the lines of the Prime Minister's previous statement would be helpful in avoiding a majority report to the Co-Chairmen that the MAA contravenes the Geneva settlement. An assurance of intention to continue to live up to the Cambodian obligations under the Geneva settlement and to cooperate with the Commission would round out such a statement nicely.

4. You should keep the U.S. Ambassador informed on a confidential basis. While he will be aware that you have expressed [. . .?] our view that the MAA does not contravene the Gen[eva Accords] he will also appreciate, we are sure, the desirability of trying to find a way to help the Indians to overcome their reservations so as to avoid a majority report

critical of the MAA. Such a report would be used for propaganda purposes by the Vietminh and Chinese and also might be used as an excuse for some other inimical action.

[L.B.] PEARSON

650.

DEA/50052-C-40

*Le commissaire de la Commission internationale de surveillance
pour le Cambodge
au secrétaire d'État aux Affaires extérieures
Commissioner, International Supervisory Commission for Cambodia,
to Secretary of State for External Affairs*

TELEGRAM 97

Phnom Penh, July 15, 1955

CONFIDENTIAL. IMMEDIATE.

Reference: My telegram No. 95 of July 13th, 1955.†
Repeat Hanoi, Vientiane, New Delhi.

MILITARY ASSISTANCE AGREEMENT

1. My immediately following telegram contains text of draft resolution submitted by chairman for consideration of Commissioners.

2. Although chairman has not yet cleared text with New Delhi, he maintains that it is only compromise Indian Government would be prepared to accept. Wolniak finds resolution "too mild" but states he is prepared to concur provided "Mr. Nehru states it is satisfactory".

3. After long discussion at informal meeting this morning I was able to obtain watering down of original resolution which was wholly unacceptable. I consider that even the present wording is unsatisfactory on grounds that final paragraph implies that MAA contravenes Geneva. My view which is rejected by chairman and Wolniak is that resolution should include statement that MAA does conform to Geneva. Furthermore, the last sentence of para seven appears to me to be a repetition of what has already been said in para six. This sentence is also in my view quite offensive to Royal Government since it gives the impression that Commission is not certain that government will live up to its promises. Finally the words "objections are still expressed in the Commission" indicate that Commission has not reached any decision and considers that there is still room for argument as to whether MAA contravenes Geneva. This, I am convinced, will be used as instrument of Communist propaganda and will not remove MAA as issue in political campaign.

4. For these reasons, I suggest we should oppose present resolution. Possible compromise might be to delete completely last paragraph; paragraph six providing suitable ending.

5. Showed resolution to McClintock who expressed satisfaction with wording on grounds it was much less objectionable than he expected. He suggested however that Canadian agreement to inclusion of para seven could be given on condition resolution would not be published. My view is that copy of resolution will be sent to DRVN, when replying to their letter who will probably publish it in any case.

6. Please instruct me soonest on course you wish me to follow.

[T.E. D'O] SNOW

651.

DEA/50052-C-40

*Le commissaire de la Commission internationale de surveillance
pour le Cambodge
au secrétaire d'État aux Affaires extérieures*

*Commissioner, International Supervisory Commission for Cambodia,
to Secretary of State for External Affairs*

TELEGRAM 98

Phnom Penh, July 15, 1955

CONFIDENTIAL. IMMEDIATE.

Reference: My telegram No. 97 of July 15, 1955.

Repeat Hanoi, Vientiane, New Delhi.

MILITARY ASSISTANCE AGREEMENT

Following is text of draft resolution mentioned in my preceding telegram.

1. On 23rd May 1955 the Royal Government of Cambodia informed the International Commission for Supervision and Control that it had on 16 May, 1955 concluded an agreement with the United States of America for direct military aid from that country. The Commission very carefully examined the new agreement to determine its compatibility or otherwise with the Geneva Agreement.

2. Objections were raised in the Commission that certain clauses of the Military Aid Agreement, as specified later in our letter of July 5th, were not strictly in conformity with the Geneva Agreement. The Commission, therefore, asked the Royal Government of Cambodia for certain clarifications. The implications of these clauses were also discussed between the Royal Government and the International Commission on May 30th when the Prime Minister of Cambodia gave his Government's interpretation and understanding of the Military Air Agreement.

3. On June 17th the Commission received a request from the Royal Government of Cambodia to examine the provisions of the new Military Aid Agreement vis-à-vis the Geneva Agreement. On June 21st the International Commission received a protest from the Democrat Republic of Vietnam stating that the new agreement violated the provisions of the Geneva Agreement relating to Cambodia.

4. With a view to having a formal record of the Cambodian Government's understanding of the Military Aid Agreement, the Commission addressed the Royal Government on July 5th embodying this understanding in their letter of that date.⁵⁷ On July 13th the Royal Government confirmed that its understanding and position were exactly as stated in the Commission's letter of July 5th.

5. The International Commission takes note of the clarifications given by the Royal Government, particularly its assurance that it will scrupulously and always respect the terms of the Geneva Agreement and that it will follow a policy of neutrality.

⁵⁷ Pour la lettre du 5 juillet 1955, voir United Kingdom, Parliamentary Papers, Cmd. 9579, *Third Interim Report of the International Commission for Supervision and Control in Cambodia*, London: Her Majesty's Stationery Office, 1955, pp. 8-11.

For the letter of July 5, 1955, see United Kingdom, Parliamentary Papers, Cmd. 9579, *Third Interim Report of the International Commission for Supervision and Control in Cambodia*, London: Her Majesty's Stationery Office, 1955, pp. 8-11.

6. The International Commission is confident that the Royal Government will honour all the assurances it has given and will give full cooperation to the International Commission in supervising the implementation of the Military Aid Agreement in terms of Article 7 and Article 13(c) of the Geneva Agreement.

7. Objections are still expressed in the Commission that some of the clauses of the new agreement go beyond the limitations imposed by the Geneva Agreement. However, in view of the assurances given by the Cambodian Government, the Commission hopes that in practice the receiving of aid under the new Military Aid Agreement will be in conformity with the terms of the (Geneva) accord.

[T.E. D'O] SNOW

652.

DEA/50052-C-40

*Le secrétaire d'État aux Affaires extérieures
au commissaire de la Commission internationale de surveillance
pour le Cambodge*

*Secretary of State for External Affairs
to Commissioner, International Supervisory Commission
for Cambodia*

TELEGRAM 85

Ottawa, July 16, 1955

SECRET. IMMEDIATE.

Repeat London No. 1169; Washington EX-1280; New Delhi No. 463; Paris No. 433.

CAMBODIA-U.S. MILITARY ASSISTANCE AGREEMENT

Following preliminary comments are based on text of proposed Commission resolution received through U.S. Embassy here and your telegram No. 97 of July 15.

2. In general the resolution is satisfactory except for the last paragraph. We would have hoped, however, that Commission could have (a) agreed to "accept" rather than just coldly "take note" of the clarification given the Royal Government and (b) determined that MAA is compatible with Geneva settlement.

3. We dislike the wording, the apparent intention and the likely effect of including the final paragraph in a resolution which would be communicated to the Government and which it will certainly wish to make public because of its declared desire to settle political controversy over the MAA. Even if the last paragraph was not sent to the Government, there is the risk of it being leaked by Poles. This paragraph, as now worded, may be interpreted as undoing the two previous paragraphs. It appears to us to be undignified and unnecessary since once the Commission has accepted the assurances of the Royal Government it is improper to continue to express objections. In so far as either of the other Commissioners entertain continuing "reservations" these are surely covered by the decision of the Commission to supervise implementation. Publication of this paragraph will keep the MAA issue alive in the forthcoming electoral campaign and play into the hands of the Opposition parties. The Indians should realize that opponents of the present Government and Prince Sihanouk will try to make out that the Indian Government really sides with them in maintaining a critical attitude toward the MAA. This is bound to reflect on relations between India and the present and probable future government of Cambodia. There is

also a threat of continuing disquiet in and about Cambodia if the Chinese and Viet Minh are given this excuse to continue their propaganda.

4. Our preferences in descending order are:

(a) eliminate last paragraph and send to Government resolution if possible with amendments indicated in paragraph 2 above;

(b) agree to Indian and Polish Commissioners stating their reservations along the lines of last paragraph for the record but not for communication to Government or Vietminh at time resolution minus last paragraph is passed in formal Commission meeting.

(c) accept inclusion of last paragraph in resolution only if amended as indicated in following paragraph.

5. Following are minimum amendments to final paragraph of proposed resolution to make it acceptable to us:

(a) for first word "objections" substitute "reservations";

(b) for 4th word "expressed" substitute "entertained";

(c) after 14th word "agreement" insert word "might" before word "go";

(d) for 13th word "hopes" in second sentence substitute "is confident".

6. *Phnom Penh* please inform Indian Chairman of our reactions in paragraphs 1-3 and negotiate step by step on basis of paragraph 4 and 5. In view of time taken by Indians and Poles you should state that you cannot deviate from these instructions without approval from Ottawa. Please report by Immediate telegram repeated to New Delhi giving your recommendations based on

(a) discussions with Indian Chairman and

(b) probable reactions of Cambodian Government and Prince Sihanouk.

7. *New Delhi* please take up with Ministry of External Affairs, but only indicate that 4(b) and (c) are compromises we might accept until you have had report from General Snow on his discussion.

8. *London, Washington and Paris* please inform Governments to which you are accredited.

653.

DEA/50052-C-40

*Le commissaire de la Commission internationale de surveillance
pour le Cambodge
au secrétaire d'État aux Affaires extérieures*

*Commissioner, International Supervisory Commission for Cambodia,
to Secretary of State for External Affairs*

TELEGRAM 100

Phnom Penh, July 17, 1955

CONFIDENTIAL. IMMEDIATE.

Reference: My telegram 97 dated 15 July.
Repeat New Delhi.

MILITARY ASSISTANCE AGREEMENT

1. Following is text of new last paragraph of resolution sent to Chairman by his government. "Although it may still be argued that some of the clauses of the new Military Aid

Agreement in terms go beyond the limitations imposed by the Geneva Agreement, the Commission accept the assurances given by the Cambodian Government and will take steps to ensure in practice that the receiving of the aid under the new Military Aid Agreement is in conformity with the terms of the Geneva Accord”.

2. Although it is better than previous last paragraph, I have told Chairman it is unacceptable unless it contains statement that MAA conforms to Geneva.

3. Just informed that your reply to my 97 is now coming in but thought I should send this in any case. Repeated by telegram to New Delhi.

[T.E. D'O] SNOW

654.

DEA/50052-C-40

*Le commissaire de la Commission internationale de surveillance
pour le Cambodge
au secrétaire d'État aux Affaires extérieures
Commissioner, International Supervisory Commission for Cambodia,
to Secretary of State for External Affairs*

TELEGRAM 101

Phnom Penh, July 18, 1955

CONFIDENTIAL. IMMEDIATE.

Reference: Your telegram No. 85 of July 17, 1955.

Repeat Hanoi, Vientiane, New Delhi.

MILITARY ASSISTANCE AGREEMENT

1. After two long meetings with Chairman today, I could make little progress. I informed him of objections in your telegram but he would accept none of them. He pointed out that India had gone very long way from their stand in order to obtain unanimity and he had been certain you would over-ride my objections to resolution and agree with his wording. He was obviously greatly disappointed.

2. I handed him my suggested new paragraph 5 of resolution as follows: “The I/C accepts the clarifications given by Royal Government, and as a result of these clarifications is of the opinion that the MAA is in conformity with the Geneva accord. The I/C also takes note of the assurance of the Royal Government that it will follow a policy of neutrality”. I further stated that paragraph 7 must be eliminated before resolution is acceptable.

3. Chairman refused to consider for a moment that MAA is in conformity with Geneva. He said Indian and Polish stand all along has been that MAA is not in conformity and only way to get unanimity was to leave out any mention that it is, or is not, in conformity.

4. He insisted that either original or India's new paragraph 7 must remain. I argued that neither were acceptable in that although the new one omits the words “objections are still expressed” the last phrase could be considered offensive to Cambodian Government. He was adamant that there must be a paragraph 7 and it must be one of the two submitted.

5. I asked him if he would submit my suggested amendment to paragraph 5 (see paragraph 2 above) and the suggestion that paragraph 7 be eliminated to his government before condemning it out of hand. He said he would not as already he had, in interest of unanimity, persuaded his government to alter their previous stand.

6. I asked Chairman if he would agree to my suggested paragraph 5 if reference to MAA being in conformity to Geneva was omitted. He finally agreed to following: "The I/C welcomes the clarifications given by the Royal Government and takes note of the assurance of the Royal Government that it will follow a policy of neutrality".

7. I then tried preference (b) but he somewhat rudely poo pooped it. My own view is that it is not feasible.

8. Finally I suggested new paragraph 7 as follows: After words Cambodian Government in Indian paragraph 7 add "and is confident that in practice", etc. to end of original paragraph 7.

9. Chairman said he would think it over and later at second meeting, he asked me to send my suggested paragraph 7 to you and, if you approve, he will recommend it to his government. However, he said that the words "is confident" must be replaced by the word "hopes". I argued that he may not be confident about MAA but having accepted the clarifications of the Royal Government surely he is confident that they will abide by their assurances. He wavered here so it is possible that he will agree to word "confident". In any case, I recommend you approve my suggested paragraph 7 as I consider it more favourable than other two.

10. I have discussed matter with McClintock who indicated satisfaction with my suggested paragraphs 5 and 7. At my request, he has agreed to obtain in strictest confidence from Prime Minister and Sam-Sary respectively, government's and Sihanouk's probable reaction to resolution. I have proceeded in this way because I considered it unwise for me to approach Cambodians directly on matter. As soon as McClintock has informed me of Cambodian views I will communicate by wire. *New Delhi*, you can obtain text of resolution from Indian authorities. A copy was sent to you by bag as you requested but in future MAA matters will go to you by telegram.

[T.E. D'O] SNOW

655.

DEA/50052-C-40

*Le secrétaire d'État aux Affaires extérieures
au commissaire de la Commission internationale de surveillance
pour le Cambodge*

*Secretary of State for External Affairs
to Commissioner, International Supervisory Commission
for Cambodia*

TELEGRAM 86

Ottawa, July 19, 1955

CONFIDENTIAL. IMMEDIATE.

Reference: Your telegram No. 101 of July 18.

Repeat New Delhi No. 464.

MILITARY ASSISTANCE AGREEMENT

We agree that your new paragraph 5 as accepted by the Chairman and your new paragraph 7 would be considerable improvements. You may report my approval of both.

2. However, if Indians cannot accept your new paragraph 7 and are instructed to insist on the original or their redraft of it, we would risk being in the minority in view of the Polish commitment to go along with the Indians. In order to avoid this, I think we may accept

reluctantly their redraft if you are satisfied that it will be acceptable to the Cambodian Government.

656.

DEA/50052-C-40

*Le commissaire de la Commission internationale de surveillance
pour le Cambodge
au secrétaire d'État aux Affaires extérieures*
*Commissioner, International Supervisory Commission for Cambodia,
to Secretary of State for External Affairs*

TELEGRAM 108

Phnom Penh, July 23, 1955

CONFIDENTIAL. IMPORTANT.

Reference: My telegram No. 106, July 21, 1955.†
Repeat New Delhi, Hanoi, Vientiane.

MILITARY ASSISTANCE AGREEMENT

1. At formal meeting of Commission today MAA resolution was passed. Para seven was included in spite of Dutt's statement to Williams reported to you in New Delhi No. 42.† Chairman's slightly amended paragraph five was adopted (explanation† by bag).

2. Cambodian Government will be formally notified today of adoption of resolution. On Monday government will be informed that Commission intends to publish on Wednesday, July 27, resolution and correspondence with Royal Government.

3. Had hoped I might get your views on publication before now but have discussed subject fully with McClintock. We both agree that we cannot prevent publication of correspondence and if I resist further it will be put to vote. McClintock assures me government will go along with publication if Commission deals with them tactfully and I think Chairman will do so.

657.

DEA/50052-C-40

*Le commissaire de la Commission internationale de surveillance
pour le Cambodge
au secrétaire d'État aux Affaires extérieures*
*Commissioner, International Supervisory Commission for Cambodia,
to Secretary of State for External Affairs*

TELEGRAM 122

Phnom Penh, August 15, 1955

SECRET. IMMEDIATE.

Repeat Hanoi, New Delhi, Vientiane.

POST-ELECTION ACTIVITIES AND SIZE OF INTERNATIONAL COMMISSION

We have had a number of informal discussions with our Indian and Polish colleagues about possible reduction in activities and establishment of delegations and secretariat after the Cambodian elections.

2. Immediately after the elections there may of course be considerable work in connection with petitions arising out of election campaign and perhaps question of report to co-chairmen. Thereafter, however, Indian and Polish delegations agree that Commission's responsibilities will be limited to supervision of Cambodian declaration in Article 7 and supervision of arms imports under Article 13(c).

3. Indian and Polish delegates tell us that they would be prepared to recommend to their governments reduction of headquarters establishment and elimination of 3 teams, leaving teams only in Phnom Penh, Stung Treng, Svay Rieng, Kampot and Battambang. They have sought our agreement to join an unanimous recommendation along these lines to our government.

4. I have told them that we certainly favour post-electoral reduction but are inclined to think that our tasks could be effectively discharged with three mobile teams of one officer each per nationality all located in Phnom Penh. Cambodian Government told us some time ago that all imported war material would be brought to Phnom Penh.

5. I am setting out in my immediately following telegram† the approximate figures for personnel suggested by Indian and Polish and which we would require under various plans.

6. Parthasarathi has recommended that in October civilian Commissioners depart and Brigadiers would be named Commissioners. He suggested it might have a favourable psychological effect in Cambodia should all three civilian Commissioners withdraw together soon after elections. Wolniak said that he would recommend this to Warsaw if Indians and we are doing the same but he has told me that he is doubtful about whether they will agree. I have told both of them that I am doubtful whether we would have a Brigadier as Commissioner for our part; but that each member government could make its own decision on this point. I have not told them, but personally I am inclined to recommend against having an active force officer as Commissioner. I do not think a senior military officer is necessary merely to supervise routine entry of military equipment, while if any issue of alleged violation of agreement arises there will at once be important political and propaganda implications which a political officer would seem best suited to handle. Moreover, if any Canadian Commissioner headquarters is to remain in Cambodia (which, as reported below, I do not necessarily consider essential) a political officer could usefully do some travelling and political reporting on this region and thus justify their existence by broader activities than an exclusively military mission could be expected to discharge. In other words the only possible task for any senior man will be a highly political one. Indians have, of course, a legation here in addition to Commission delegation; while Polish interpreters may be discharging some sort of surreptitious political activities.

7. A radical idea for future establishment of Commission has occurred to me which may be worth considering. It would involve no Canadian personnel normally stationed in Cambodia.

8. The idea would be to have only Indian team members stationed in Phnom Penh or any other points considered necessary in Cambodia to check arrivals of war material. If at any time their preliminary count should suggest any ground for a more serious investigation they could wire Laos or Vietnam and Canadian and Polish team members would arrive within twenty-four hours to join them in an official count. If the agreed count then should suggest a prime facie case for Commission consideration then the Commissioners could be called to meet within a few days. The Canadian Commissioner for Laos or Vietnam could then turn up here as Commissioner for Cambodia wearing a different hat. Since it appears unlikely in the extreme that war material will in fact be introduced into Cambodia in the next twelve months on a scale so great as to exceed the territory's need for effective

defence under Article seven of the agreement it is unlikely that the extra duty on our Commissioner in Laos or Vietnam would be heavy. They might (group corrupt) the need for an extra junior military officer or two for assignment when occasion arose for temporary team duty in Cambodia.

9. The more I consider this idea the more it appeals to me. The Indian and Polish Governments might well not accept it. However if I were authorized to suggest that Indians discharge this preliminary role on behalf of Polish Commission and ourselves it could, I think, do no harm and might do some good. If presented in New Delhi and (Warsaw?) as well as here it should at the very least stimulate India into considering a more extensive reduction than they at present propose. Canada's willingness to trust India to do preliminary counting alone should flatter them and if the Poles were for their part unwilling to accept this the implications could do us no harm. If our proposal were also made known to Cambodian Government, as might well be a good idea, it should also at the least jolt them into assessing seriously the value to them of active Canadian participation here.

10. Conceivably a mid-way course might also be possible; having teams in Phnom Penh and if necessary elsewhere in Cambodia but no headquarters here; this would involve adding the administrative and headquarters tasks to our delegation in Vientiane or Saigon where Commissioner would also be Commissioner for Cambodia. (Laos is much more popular with Cambodians than Vietnam). We are by no means sure that a solution along these lines would prove administratively or operationally feasible and if it were to be seriously considered we would have to give it detailed study including a careful discussion with our delegations in Vientiane or Saigon/Hanoi before we were in a position to make any recommendation on it.

11. I hope you do not think that I am trying to talk myself out of a job. I am greatly enjoying this fascinating post.

12. I would appreciate your comments and instruction on this whole problem. You might wish to authorize me to submit my radical proposal on the record at a formal meeting of the Commission but stating that it represents purely delegation thinking on which Canadian Government has not yet taken up a position. The reactions should be interesting.

13. Incidentally I raised informally the question how long my Indian and Polish colleagues think task of counting arms shipments should continue in Cambodia if North and South Vietnam do not in fact agree on holding elections next summer. Both replied very vaguely on this. The Pole had referred to announced United States intention of building a new port for Cambodia at Kompong Som and hence possibility that Commission might have to transfer to Kampot team there later on. The new port is not scheduled to be ready to function until November 1956 at earliest.

ARNOLD SMITH

658.

DEA/50052-C-40

*Le secrétaire d'État aux Affaires extérieures
au commissaire de la Commission internationale de surveillance
pour le Cambodge*

*Secretary of State for External Affairs
to Commissioner, International Supervisory Commission
for Cambodia*

TELEGRAM 107

Ottawa, August 18, 1955

SECRET. IMPORTANT.

Reference: Your telegram No. 122 of August 15.
Repeat Hanoi No. 376; Vientiane No. 132.

POST-ELECTION ACTIVITIES AND SIZE OF INTERNATIONAL COMMISSION

Your telegram under reference outlines some attractive possibilities for post-election reductions in the activities and staff of the Commission. As you know we are keenly interested in this matter and we will study your suggestions and those of your colleagues closely. However, with the Minister away until the end of the month we can give no, repeat no, approval to your suggestions and you are not, repeat not, authorized to discuss your radical proposal with your colleagues. We would have no objection to informal discussion of reduction along the lines outlined in your paragraphs 3—5.

2. If the Indians and the Poles agree on a given scale of reductions, chances are that these will not be so drastic that we will want to oppose them. For this reason you may concur in principle with their point of view if it is a majority one while reserving your right to bring in Canadian suggestions when these are better defined and have been carefully examined here and have received the Minister's approval.

3. For the time being, therefore, we think it would be preferable to hold back your "radical suggestion". While we recognize those of its merits which you have yourself well summarized, we think it deserves a little more thought on two counts: its practicality and its tactical value. As tactics, it would be interesting to flatter the Indians, make the Cambodians realize the value of our presence and put the onus for rejecting the proposal on the Poles. If we are reasonably certain that the latter will reject it, which we are inclined to believe because of their conception of the Commission as a strictly tripartite body, then the tactics could pay off in terms of bringing the Indians away from the Poles and closer towards us. On the other hand, as a practical possibility, it has to be weighed against the following factors:

(a) the desirability of keeping a political officer in Cambodia and the degree of seniority he should have;

(b) the feasibility of a transfer of work to the Laos Commission, which will be tied up with elections at least until the end of the year, or to the Vietnam Commission, which might not be so popular with the Cambodians.

4. We are not too sanguine on the transfer question, with its implications of an absentee Commission or of one with Indians only. Apart from the radical alteration of the Commission's tripartite character, complications could arise as a result of the view the Indians, once left to themselves, might take of their supervision responsibilities with regard to MAA imports and also of their reporting responsibilities thereon vis-à-vis the co-chairmen.

Any disagreement we might have on this score with the Indians would be further complicated by the fact that they would be the only ones left on the spot. On balance therefore, we think that the practical difficulties may outweigh the tactical advantages. For the time being, it might be better to limit ourselves to working out possibilities along the lines of paragraphs 3, 4 and 5 of your telegram under reference.

5. In principle, we would prefer maintaining a civilian component in all three Commissions, reduced where possible on the basis of the needs in each country, while making the military component interchangeable on a call basis. We think it would be easier for the latter than for a full or acting Commissioner to put on a different hat in order to alternate from one country to the other.

6. *Hanoi and Vientiane.* We would appreciate receiving your views on the present exchange of telegrams with Phnom Penh.

659.

DEA/50052-C-40

*Le commissaire de la Commission internationale de surveillance
pour le Cambodge
au secrétaire d'État aux Affaires extérieures*

*Commissioner, International Supervisory Commission for Cambodia,
to Secretary of State for External Affairs*

TELEGRAM 163

Phnom Penh, September 14, 1955

SECRET. IMMEDIATE.

Reference: My telegrams No. 122 and No. 123† of August 15 to 17, 1955.
Repeat Hanoi, Vientiane, New Delhi, London.

REDUCTION IN INTERNATIONAL COMMISSION ESTABLISHMENTS

1. The Polish delegate yesterday told us that he had "at last" received authority from Warsaw to accept the reduction outlined in paragraph 3 of my telegram No. 122. Parthasarathi, who is impatient to effect large-scale reduction within the next four weeks and if possible himself to leave Cambodia in early October, called an informal meeting of the Commissioners yesterday afternoon to work out a draft memorandum on post-election activities and establishments.

2. The memorandum on which the three Commissioners finally agreed to give approval in principle is set out in my immediately following telegram.†

3. I made it clear that Canadian approval at this stage was only in principle (paragraph 2 of your telegram No. 107 of August 18) and also that we reserve the right to make further suggestions in due course. The status of the agreed memorandum is best defined in the text of a letter which I drafted and which the Commissioners formally approved this morning and sent to the International Commissions in Vietnam and Laos with the memorandum as an enclosure. The operative paragraphs of this letter are as follows: Text Begins:

I have the honour to inform you that, as a first stage in the progressive reduction of its activities the International Commission for supervision and control in Cambodia is giving consideration to the possibility of a reduction in the near future along the lines set out in the attached memorandum before we reach a decision on this matter, this Commission must consult with the International Commission for supervision and control in Vietnam and Laos, in accordance with the terms of Article 25 on the cease-fire agreement for Cam-

bodia. I would, therefore, be grateful if you would let me have for consideration by the International Commission here the comments of the International Commission for Vietnam, Laos since this Commission hopes to take a decision quickly on this matter, I would be grateful if you could arrange for the comments of your Commission to reach us at the earliest possible moment. Text Ends.

4. While I would prefer a more extensive reduction of teams, along the lines set out in paragraph 4 of my telegram No. 122 of August 15, it is clear that the reduction set up in the memorandum is the most extensive to which either the Indians or the Poles will agree at this time. I therefore recommend that you confirm my tentative approval of it. The total reduction in Commission personnel would be of the order of 40 percent, and the elimination of four of our nine teams. The psychological impact should therefore be considerable.

5. As far as Canadian personnel are concerned the reduction from 32 to 23 would involve the elimination of nine military officers only. If you approve this I propose that my Military Adviser or Deputy Military Adviser might proceed in due course to Hanoi or that Brigadier Dunn come here to discuss details including possible relocation of certain officers.

6. The Chairman has personal reasons for wanting a very early completion of reduction, but in addition he points out, I think with reason, that an early proposal from the Commission to the Cambodian Government is desirable in view of local political situation. Indeed he thinks that the Cambodian Government may at any moment ask the Commission to leave the country. As you know from my earlier telegrams, I have considered this a real possibility ever since my arrival here, but I think that at present a request to withdraw completely is perhaps less likely than it was previously. There is no, repeat no, doubt however that a substantial reduction particularly of the Indian and Polish components (which the Commission's present plan would involve) would be most welcome to the Cambodian Government.

7. I would be grateful for your early comments. The Chairman hopes that we will be in a position to take a firm decision within a week.

ARNOLD SMITH

660.

DEA/50052-C-40

*Le secrétaire d'État aux Affaires extérieures
au commissaire de la Commission internationale de surveillance
pour le Cambodge*

*Secretary of State for External Affairs
to Commissioner, International Supervisory Commission
for Cambodia*

TELEGRAM Y-129

Ottawa, September 21, 1955

CONFIDENTIAL. IMPORTANT.

Reference: Your telegrams No. 163 and No. 164† of September 14.
Repeat Hanoi Y-436; Vientiane Y-154.

REDUCTIONS

First we think that you should ascertain that the present reductions will be made with the full knowledge and general concurrence of the Cambodians (who are expected to pay a

significant part of the Commission's bills) and that our position on these as well as on further reductions is clearly understood by them. With a new Government in formation and its composition still unknown, at least to us, we think it desirable that you discuss the matter with more than one person in Sihanouk's entourage or in the potential cabinet. Care should be taken not to present our views on greater reductions in such a way as to feed Cambodian feelings in favour of a prompt and complete withdrawal. What we want is to maintain confidence on the part of the Cambodians in our desire for maximum reduction compatible with the Commission's obligations under the Agreement and taking into account the need to secure Indian and Polish cooperation. You might therefore find it advisable to remind them of, and exchange views on, the continuing tasks of the Commission under the Geneva Agreement, as recorded in your second telegram under reference. It would also be important that your United Kingdom, French and United States colleagues be kept informed of our position.

2. Next, and in the light of Cambodian reactions, you should formally recommend to the Commission the additional reduction in the number of teams which you outlined in paragraph 4 of your telegram 122 of August 15. Regardless of whether it is accepted or not, this recommendation would have the desirable effect, in our opinion, of keeping the matter alive as well as of keeping the initiative in our hands in this matter.

3. Then, if you cannot get early acceptance of this more substantial reduction, you may state that, in accordance with the principle of progressive reductions, we are willing to agree to those suggested by the Indians as a first step in the right direction. At the same time, while reserving your right to bring in Canadian suggestions for further reductions later on, you should put on the record the Canadian view that greater reductions would in our opinion be warranted by the present situation in Cambodia.

4. With reference to paragraph 5 of your first telegram under reference, we suggest that a discussion on the possible relocation of certain officers should take into account the possible temporary need that may develop shortly in Laos for additional mobile teams. These might be required for a short period to supervise the military provisions of a plan⁵⁸ for a political settlement which Mr. Sen has recently produced. These military provisions are for the regroupment, checking and eventual integration of the Pathet Lao forces into the Laotian National Army. If this plan is accepted, the destination of the officers released from Cambodia might be affected by developments in Laos. Please therefore ensure that these possible requirements in Laos are discussed by Brigadier Dunn with our Commissioner in Laos and his military adviser before making final recommendations regarding disposal of any surplus officers.

L.B. PEARSON

⁵⁸ Voir/See Document 679.

661.

DEA/50052-C-40

*Le secrétaire d'État aux Affaires extérieures
au commissaire de la Commission internationale de surveillance
pour le Cambodge*

*Secretary of State for External Affairs
to Commissioner, International Supervisory Commission
for Cambodia*

TELEGRAM Y-131

Ottawa, September 23, 1955

CONFIDENTIAL. IMMEDIATE.

Reference: Your telegram No. 168 of September 17.†

FUTURE OF INTERNATIONAL COMMISSION

As we understand it, the comments and attacks on the Commission have been largely the result of Cambodian excitement and nervousness in the last stages of the election campaign. We have the impression that since the elections they have died down and perhaps the tone will have been set by Prince Sihanouk's press conference statement that the Commission would be welcome in Cambodia to complete its work. Your report of Sam Sary's desire to get you a better villa seems to confirm this.

2. When you see Prince Sihanouk it might be advisable to follow these lines:

- (a) describe the reduction about to be done in accordance with the Indian plan;
- (b) explain the Canadian attitude on the desirability of some additional reductions but in such a way as not to feed Cambodian desire for greater reductions than would be feasible;
- (c) discuss the tasks left for the Commission to perform;
- (d) suggest that, owing to the extent of their triumph, the party that will form the Government can afford some leniency towards its political opponents and should at least take care to assure the completion in practice of the integration task envisaged in the Geneva Agreement, in other words avoid giving any grounds for complaints concerning post-electoral reprisals or discrimination (e.g. complaints based inter alia on last two paragraphs of Article 6);
- (e) any undue manifestation or expression of impatience towards Commission by a government that enjoys such complete victory could have the unfortunate effect of giving impression abroad that said government had something to hide;
- (f) such moderation as may be shown in the post-electoral period would facilitate the task of the Commission and bring closer the time when further reductions could be made.

662.

DEA/50052-C-40

*Le commissaire de la Commission internationale de surveillance
pour le Cambodge
au secrétaire d'État aux Affaires extérieures*

*Commissioner, International Supervisory Commission for Cambodia,
to Secretary of State for External Affairs*

TELEGRAM 174

Phnom Penh, September 27, 1955

SECRET. IMMEDIATE.

Reference: My telegrams Nos. 164† and 171† of September 14 and 20.
Repeat London No. 1; New Delhi No. 51.

REDUCTION OF PERSONNEL

The Commission today unanimously approved the memorandum on reduction transmitted to you in my telegram 164 of September 14. I regret that despite my immediate telegram No. 171 of September 20 through British diplomatic wireless, I had still not received your final instructions on reduction. But I consider it impossible to delay acceptance of the envisaged 40 percent reduction, the most on which unanimous agreement can at present be reached, without laying Canada open to charges of obstructing reduction in the international Commission's establishment, which in the present political situation in Cambodia could be greatly embarrassing in relation to public and government opinion, and which is of course directly contrary to our general policy of trying to get maximum practicable reduction here as soon as possible. I also took comfort in reflecting that your telegram No. 107 of August 18, particularly paragraph 2, can be construed as blessing this degree of reduction.

2. We had during the last day or two received replies from the International Commissions in Laos and Vietnam, whom we had consulted as required under Article 25 of Cambodian cease-fire agreement, saying that these Commissions had no comment to offer on our proposed reduction.

3. The agreed plan has, as you know, been worked out on "off the record" and informal meetings between the three Commissioners. On the record at to-day's meeting, I proposed consideration of a more extensive reduction, by elimination of our teams outside Phnom Penh but maintenance of mobile teams here which could move when necessary to investigate conditions anywhere. This proposal was set out in paragraph 4 of my telegram No. 122 of August 15, which you had tentatively approved and on which our Commissioners in Vientiane and Hanoi had also commented favourably.

4. The Polish Commissioner said he could not, repeat not, accept the idea of a more extensive reduction, and the Indian Chairman said that since the 40 percent reduction and elimination of four of the present teams was the maximum on which present unanimous agreement would be reached, he considered it inexpedient to state whether India would favour or oppose further reduction at this time. I urged that continued careful consideration be given by Indian and Polish Governments to the possibility of further reduction as soon as possible, and asked that Military Committee arrange to obtain a weekly report of activities from the remaining five teams and to report to Commission monthly so that we could consider whether their activities justify the continued existence of the teams outside Phnom Penh.

5. I also suggested that in view of Article 12 of the cease-fire agreement it would be desirable to give Cambodian Government an opportunity to comment on our proposed reduction. Polish and Indian Commissioners maintained that this article, which requires Cambodian consent to alteration of fixed teams location, was inapplicable to elimination of any fixed teams location and that Cambodian Government should merely be informed rather than consulted. My own view that inviting formal Cambodian consent to proposed reduction would be a way of obtaining their formal implied consent to the maintenance of remaining teams, which should serve to reduce likelihood of Cambodian Commission friction during coming few months. As compromise the Commission agreed to sending a loosely drafted notification to Cambodian Government about our reduction plan.

6. In any case I had previously in private talks informed Sam-Sary and Prime Minister Leng Ngeth about our reduction plans. Though, they have not, repeat not, committed themselves to continuation of Commission on the basis of 60 percent of present strength, they appreciated our private consultations with them.

7. This morning at the formal weekly meeting of the three Commissioners with Prime Minister Leng Ngeth, we mentioned to him inter alia our reduction plan. He asked a number of searching questions about the number and location of teams, and whether the Commissions in Laos and Vietnam were decreasing or increasing, but he would not commit himself on Government's reaction to future plans of the Commission. As you will appreciate, in that period of post-election behind-scene cabinet making, there is no, repeat no, firm Government view on the question.

8. Though I think the present reduction is the best at present obtainable and more than we might have expected, I hope that if we continue to press discreetly, but on the record, we may get agreement on further reduction in a month or two. It is my own judgement that the Commission would do no, repeat no, service to international relations generally by remaining here too long or in unnecessary strength. We should not, repeat not, allow ourselves to be squeezed out, but should withdraw with dignity and good order in due time. However, the situation in Indo-China as a whole is still too fluid to make any confident predictions of the Commission's future.

9. Parthasarathi is leaving within a week. Brigadier Kullar, his military adviser, will be Acting Chairman and there is no, repeat no, decision yet who will eventually replace him though I understand that an Indian diplomat is likely to be posted here. Wolniak, the Polish Commissioner, hopes to leave within "a few weeks", but tells me that none of his present staff are capable of acting on their own and that Warsaw has not, repeat not, yet decided who will replace him.

10. Kullar is much more pro-Western than Parthasarathi. Incidentally, he told Bourbonnière that he expects the Commission to wind up completely by January 1st.

ARNOLD SMITH

663.

DEA/50052-C-40

*Le commissaire de la Commission internationale de surveillance
pour le Cambodge
au secrétaire d'État aux Affaires extérieures*
*Commissioner, International Supervisory Commission for Cambodia,
to Secretary of State for External Affairs*

TELEGRAM 173

Phnom Penh, September 27, 1955

SECRET. IMMEDIATE.

Repeat New Delhi, Hanoi, Vientiane, Paris, London.

DRAFT OF ELECTIONS CHAPTER FOR FOURTH INTERIM REPORT
TO THE CO-CHAIRMAN

1. On September 19 Parthasarathi submitted a draft elections report which consisted of a long narrative of the elections campaign. It contained a number of snide remarks about Cambodian Government and Sangkum, and implications of unfair practices, although it nowhere brought them into sharp focus as an issue, and although it concluded by "passing" the elections on the expressed grounds that despite pressures the Prince's popularity was such that his party could have won "anyway". Parthasarathi explained privately that in his view the Sangkum "should have won about 65 percent of seats and the Commission's problem was to explain the other 35 percent".

2. The Polish Commissioner and Parthasarathi had (compared?) their lines on the elections report ahead of time, as they had done throughout most of the discussion on the United States-Cambodian Military Aid Agreement last summer. Wolniak has, therefore, not proposed any changes in the Indian draft, contenting himself with general remarks that he considers it too favourable to the Government but accepts it as a "factual compromise". Indeed my general impression of Polish conduct in Cambodia during recent months is that they have had instructions to subordinate their particular interest to cultivating a cordial pattern of relations with India. Wolniak shows no real solicitude for the protection of the ex-KRF and privately speaks with contempt of Cambodian Communists. He is, however, interested in embarrassing Cambodian Government and painting an unfavourable picture of it in the Report. He shows no inclination to push this line further than Indian Chairman will accept but Parthasarathi's own left-wing and anti-Sangkum predilections make this a relatively easy position for the Polish Commission.

3. In the hard negotiations on this Report, we have started from a minority position on almost all important issues. However, Parthasarathi is understandable reluctant to see a minority Canadian Report, which gives us some real leverage.

4. I myself would be reluctant to have a minority Canadian Report on the elections if this can be avoided, since it would revive controversy in Indo-China, and also inevitably exacerbate Indian-Cambodian relations which is not, I think, in our overall interest. However, I am not prepared to pay an unreasonable price for unanimity.

5. Parthasarathi and Wolniak have been trying to get agreement on a report to the Co-Chairman by the end of this week, as Parthasarathi is returning to Madras. He is very tired and has become increasingly contemptuous of the Cambodian Government.

6. I circulated informally a counter-draft report which was a relatively short and analytical rather than narrative account concentrating more on the actual polling and voting

results (which gave about 20 percent opposition votes) the seats (100 percent) for the campaign [sic]. Our draft proceeded from viewpoint (a) that we should base our report only on official results, actual reports of our teams, and the Commission discussions with the Government, rather than the general complex of charges and counter-charges; (b) that Commission's responsibilities arose out of Article (group corrupt) of the cease-fire agreement; and (c) that we should avoid unnecessary detailed comments on the election campaign, merely recognizing that there was competitive campaigning by all parties. The Indian and Pole certainly would not accept this type of report, and I have left it on the table as a bargaining lever while attempting to see to what extent the narrative approach can be re-written in a way satisfactory to us as well as that of our two colleagues.

7. Privately, however, I am not too unhappy at including some description of the election campaign itself since there was considerable freedom and since recognizing by implication the relevance of this as an important requisite for free elections may conceivably prove useful some day as a precedent in relation to Vietnam, East Germany, Korea or any other area in which nations may eventually be involved in internationally supervised elections.

8. The main issues on our negotiations on the draft report, apart from the elimination of one-sided dirty cracks about the Cambodian Government, have been:

(a) the attempt of the Indian and the Pole to characterize the Pracheachun Party as the official representative of ex-members of the KRF. If we recognized this we would prejudge the issue that could rise under Article 6 if the Government or Parliament later declares the Pracheachun Party illegal (see my telegram No. 161 of September 10, 1955, para 4†);

(b) a related issue which arose in the section of the Indian draft of the Commission's successful intervention with the Government to obtain the registration of Pracheachun as a legal party to the Cambodian electoral law the Indian draft implies that the Commission made a finding that non-recognition would have (group corrupt) by Cambodia of the cease-fire agreement. (group corrupt) maintaining (truthfully) that no such decision was reached and that we only agreed that a serious question would arise which we advised the government to avoid. There are unfortunately no minutes of the Commission's discussions on that point, which took place before my arrival here;

(c) whether to state that the Commission and its teams in Cambodia have had, throughout this electoral period as always, complete freedom to move anywhere without notice. The Pole opposed this and the Indian also states that he could not accept such a statement in the report "as it would merely put ideas into Cambodian heads." He went so far as to argue that the reason why freedom of movement without notice was denied to our teams in Vietnam is because teams insisted on advance provision of luxury facilities, which takes special organizing;

(d) whether we should concentrate analysis on the count (group corrupt) where Sangkum won 100 percent victory, or on a constituency breakdown of popular votes where Sangkum gained about 80 percent overall, but only slight majority in certain districts. Official popular vote count is not yet out and Parthasarathi has been trying to get us to finalise the report before it is published and without regard to it;

(e) whether report could mention as I wish the government's suggestion to the Commission that some democratic and Pracheachun candidates tried to get themselves arrested in order to pose as martyrs;

(f) I have suggested in concluding statement that the Cambodian Government (group corrupt) discharged its electoral obligations under Article 6 of the cease-fire agreement. This suggestion has, I fear, greatly embarrassed our Indian colleague who dislikes clear statements. I might at the end (group corrupt) it (group corrupt) but it is in any case an

(group corrupt) for the time being. At the very least such a finding must be implicit if not explicit in the final report. But I would not like to have such a statement appear cool in a minority paragraph by Canada.

9. We have already won tentative Polish and Indian consent to our position on points (a), (b) and (c). The points (d), (e) and (f) remain to be resolved. I am not unhopeful that we will in the end win on these too.

10. Another major issue which we have discussed at some length but which is far from resolved is how to report on the election petitions.

11. We have of course conceded that petitions about arrests must be reported although we wish to include *inter alia* the mention of the Prime Minister's suggestion in (e) above. The Commission discussed these petitions re arrests officially with the Prime Minister (as you know—my telegram No. 149 of August 26, 1955,† para three — I also discussed this privately with Prince Sihanouk and we did manage to have the arrest of candidates stopped and three of the six arrested candidates released before the elections).

12. There are in addition now about 100 petitions alleging miscellaneous electoral pressure and abuses. Some weeks before the elections, the Indian and Polish Commissioners tried to get me to agree to a letter to the Government outlining these petitions in terms which implied serious concern by the Commission about the pattern they suggested. We successfully resisted this, saying that they could be investigated. Our position has been that so long as the charges are uninvestigated it would be unfair to report them at any length in such a way as to imply a pattern of abuses by Government officials and Sangkum supporters. The Indian and Polish Commissioners stoutly resisted our suggestion last month that we should investigate such petitions, the Indian saying that it could constitute "interference" in Cambodian affairs and the Pole saying that it could take too long to affect the election results. However, para 18 of Indian draft report to Co-Chairmen revives this issue by proposing a lengthy analysis of such petitions. This will probably be the stickiest question and the one on which the delegations may have to split. I am considering proposing a paragraph giving a brief description of these petitions but stating that since Cambodian electoral law gives facilities for judicial remedies and the petitions do not show that any attempt has been made to use, much less to (effect?), these remedies, it would be improper for the Commission to deal or draw conclusions from them. It remains to be seen how far this can get.

13. I do not yet know whether we can manage to get an agreed report, but think it not impossible, particularly if we can resolve impasse on the uninvestigated petitions about electoral pressure. On this issue the line I am considering has the merit of giving an explanation for the fact that the Commission did not investigate the (group corrupt) if we report this (fact?) without an explanation it will be assumed that the Poles pressed for investigation and that Canadians refused, whereas the facts are the opposite. The discussions were all unfortunately off the record, at the Chairman's insistence. Undoubtedly, however the legal ground that it would be improper for the Commission to investigate until domestic judicial processes have been exhausted will not be very palatable to our colleagues.

14. Throughout the drafting of the Chapter on elections we have attempted to do what we could to prevent an unfair or unduly unfavourable picture of the government's conduct during the elections, while being honest, objective and relatively fearless.

15. The Chairman's desire for early agreement is understandable in view of his impatience to get out and his reluctance to leave Brigadier Kullar, his military adviser (who would be Acting/Chairman) with such a can of worms. I do not want to appear to be stalling unreasonably, and I am making every effort to progress as far as possible on an

(agreed?) re-write of a narrative report. I am forwarding by to-day's bag Indian draft and my tentatively agreed re-write of most of these (sections) of the report except those on the uninvestigated petitions and the final conclusions. I have intimated that I (meant?) to send the report home by bag for our consideration. However, the time table local conditions and the quite remarkable slowness of telegraphic communication between Ottawa and here may make it impracticable for us to delay eventual approval that long, and unless I hear from you to the contrary I may agree within a week to a report if it seems to us on balance to be a generally satisfactory document.

ARNOLD SMITH

664.

DEA/50052-C-40

*Le commissaire de la Commission internationale de surveillance
pour le Cambodge
au secrétaire d'État aux Affaires extérieures*

*Commissioner, International Supervisory Commission for Cambodia,
to Secretary of State for External Affairs*

TELEGRAM 185

Phnom Penh, October 8, 1955

CONFIDENTIAL

Repeat New Delhi No. 12; London No. 6; Hanoi, Vientiane, Paris.

FIRST INTERVIEW WITH NEW PRIME MINISTER

I had a 45 minutes interview with Prince Sihanouk, now Prime Minister, this morning. He is still functioning from his headquarters in the palace and his method of receiving visitors is still regal (guard of honour, champagne, etc.). Rather than prime-ministerial in substance, however, the interview was as usual informal and very friendly. He is much more relaxed than before the elections.

2. I spoke to Sihanouk about the Canadian position on reduction of the Commission along lines set out in your telegrams No. 129 of September 21 and No. 131 of September [23]. Sihanouk said he quite understood and appreciated our position: but he hesitated at first to commit himself on the Commission's future. Unlike last time, he did not say anything on that occasion critical of the Indians, but he regretted the presence of the Poles and suggested that they might be more interested in stirring up trouble than in pacification. I said that the Poles naturally follow the general Communist line, but surely this is what he would have expected. I added that the Communist line at times might appear to be conciliatory.

3. I formed the distinct impression, which I had also got from recent talks with various other members of the Government group here, that the Cambodians have been toying with the idea of trying to retain the Commission while somehow eliminating the Poles. I therefore pointed out that I myself could see no way in which Cambodia could unilaterally alter the composition of the Commission which was written into the agreement she had signed at Geneva. I told Sihanouk that North Vietnam might be preparing a political and psychological offensive against the South, and that it probably would not be in the Cambodians interest to give a pretext to Hanoi for calling the Cambodian settlement into question by a Cambodian breach of the cease-fire agreement. Sihanouk, after a pause said that he agreed with this, and added that the Commission could stay here as long as it considered neces-

sary. He recognized, he said, that its presence might help to deter undue Viet Minh interest in Cambodia this coming winter. He expressed satisfaction at the 40 percent reduction already achieved and at the Commission's recent transfer of £100,000 in reimbursement to Cambodia for Commission expenses.

4. Sihanouk told me that he expected his policy of national reconciliation to progress satisfactorily. He was receiving letters of penance from many erstwhile political opponents and was, he said, accepting them more or less at face value. He said he would give orders forthwith for the provisional release from prison of Keng Vansak, Deputy Secretary-General of the Democratic Party, held on a murder charge (My despatch No. 406 of September 21†).

5. I told him about the Commission's election report and showed him the concluding paragraph. He expressed warm appreciation for our success in obtaining the Polish signature to the Final Statement that the election completes Cambodia's electoral obligations undertaken at Geneva. He recognized that to obtain this report we had in some respects to go some way to meet Polish views, but agreed that this was preferable to a non-unanimous conclusion.

6. Sihanouk said he appreciated what the Canadian Delegation had done in the Hanoi radio case (my telegram No. 178 of October 6†).

7. He spoke of Hanoi's suggestion for an exchange of political representatives, saying that he had seen the Peking radio report. He said that Hanoi was trying to take advantage of a statement made at his September 13 press conference that he would welcome relations with any country which behaved correctly. He mentioned, however, that he had imposed conditions, e.g. in the case of the U.S.S.R. the removal of the veto on Cambodia's membership in the United Nations, and in the case of North Vietnam cessation of interference in Cambodian affairs. Hanoi radio broadcasts were, he said, an example of such interference. He had not yet decided what to do if Hanoi met Cambodian conditions. (I got the impression that this question is still very much open).

8. Speaking of relations with France, Sihanouk said that he thought relations would remain very friendly provided France did not insist on a categorical juridical clarification of Cambodia's relations with the French Union. In practice Cambodia was behaving as fully independent and entirely ignoring the French Union. Providing France left this question alone, Cambodia would try to avoid embarrassing France for the time being by a formal denunciation of the French Union. Sihanouk said he preferred the Anglo-Saxon acceptance of illogical but pragmatic solutions to the French tendency to insist on formal logic irrespective of results.

9. Sihanouk said his main hope was to give his country a new impetus in economic and social development. He added that Sambath now Minister of Health, is going to Colombo Plan meeting at Singapore.

10. I told him of Mr. Paul Martin's reference at the General Assembly to Cambodia and Canada's hope that it will soon be able to take rightful place in Council of United Nations.⁵⁹ Prince Sihanouk said he deeply appreciated this.

ARNOLD SMITH

⁵⁹ Voir Nations Unies, *Documents officiels de l'Assemblée générale, dixième session, séances plénières*, 523^e réunion, 26 septembre 1955, pp. 89-94.

See United Nations, *Official Records of the General Assembly, Tenth Session, plenary sessions*, 523rd Meeting, September 26, 1955, pp. 81-85.

665.

DEA/50052-C-40

*Le commissaire de la Commission internationale de surveillance
pour le Cambodge
au secrétaire d'État aux Affaires extérieures*
*Commissioner, International Supervisory Commission for Cambodia,
to Secretary of State for External Affairs*

TELEGRAM 189

Phnom Penh, October 13, 1955

SECRET. IMPORTANT.

Repeat New Delhi No. 13; London, Paris, Hanoi, Vientiane, Saigon.

FOURTH INTERIM REPORT — ELECTIONS CHAPTER⁶⁰

Many thanks for your thoughtful telegram No. 139 of October 7.† Though it arrived after the contents of the report were finally agreed and signed, it is re-assuring to know that our decisions were in line with your judgment. Text of report to Co-Chairmen has gone forward to you by bag, but I apologize for delay in reporting on the long and arduous negotiations, pleading in extenuation only that after exhilaration of the debate ceased with signature, the heat and humidity here combined with competition of other tasks to give post mortem reports a low priority.

2. The fact that we finally got a unanimously agreed as well as satisfactory report was a great relief, settled only after a final day's uncertainty at midnight before Parthasarathi's departure. The negotiations were pretty tough throughout, but the report as finally agreed includes adequate mention of a brief but, I think, effective analysis of the popular vote, the Government's charge that some opposition candidates and campaign workers deliberately courted arrest for propaganda purposes, and a reasonable concluding statement that Cambodian Government has completed obligations under Article 6. As described in paragraph 4 below, the Commission nearly split on this point.

3. An earlier breach, which would have placed Canada rather than Poland in the minority, was finally avoided on the question of describing uninvestigated petitions. I opposed giving international circulation under official aegis to uninvestigated charges without reasonable statement and explanation of fact that Commission did not investigate them. I had to push our version early to verge of a minority report. To disabuse Indian and Pole of their suspicion that our position sprang from favouritism of Sangkum and to drive home the point that it was based on fundamental principle, I pointed out (to my colleagues evident embarrassment) that mere deadpan publication of uninvestigated charges and denials smacked of McCarthyism, and that if such a course were adopted it would be equally logical to include reference to Sangkum charge that "Polish communists working in Cambodia had contributed 3.0 million piastres to Prachea Chun campaign funds" and merely state that Polish delegation had denied this (my telegram No. 166 of September 16†). I dropped this final point when it was agreed to include our brief statement that Cambodia had provided judicial remedies for electoral abuses and denial of rights under constitution, and that, opposition had "chosen instead" to petition Commission, and also statement later in report that Government informed us that no complaints of electoral abuses had been filed

⁶⁰ Voir/See United Kingdom, Parliamentary Papers, Cmd. 9671, *Fourth Interim Report of the International Commission for Supervision and Control in Cambodia*, London: Her Majesty's Stationery Office, 1956, pp. 8-17.

under Article 71 of Electoral Regulations during two week period after elections which law provides for appeals. The Pole finally accepted all this, but rather unhappily as he maintained that it brought the effect of the petitions "to nul".

4. The second issue on which agreement proved almost impossible concerned Commission's overall judgment. My position had been that Commission responsibilities were in our view limited to Article 6 of cease-fire agreement rather than Article 3 of Final Declaration. I argued, however, that the main justification for long narrative account of electoral processes as a whole was that it would lead to some judgment regarding government's conduct of elections under "Geneva Settlement" (by implication, the fundamental freedoms and all). The Indian and Polish Commissioners concurred in this. As finally approved at meeting on Sunday, October 2, the final paragraph stated that "considering fact that conditions of war and civil strife prevailed in the country until a year ago and that sharp differences have arisen regarding national policy and constitutional structure, it is a matter for gratification that elections went off as well as they did.

The Commission considers that conclusion of the election completes the political settlement for Cambodia foreseen in the Geneva Agreement." (My underlinings.)

5. This decisive judgment was accepted by Polish Commissioner in the draft report finally initialled by the three Commissioners. However, he telegraphed it home (his communications, unlike ours, are based on Polish wireless in Indo-China and make possible long two-way messages within 24 or 36 hours). But during day on Monday, October 3, Wolniak received instructions which (he told Parthasarathi and myself, with evident and, I believe, quite sincere embarrassment) made it impossible for him to draw any conclusions regarding the election. "facts but no conclusion", Warsaw apparently said.

6. This last-minute upset greatly disturbed Parthasarathi, who said that he considered our agreed draft just, and was prepared to sign it alone as it stood. However, he wished me to join him in signing.

7. In this case Pole would have had to submit a rather nasty minority report. The issue of signing had been (group corrupt) at the formal Commission meeting on Monday morning, October 3, when we paid final tributes to departing Chairman, but before Polish instructions were received. We met again late Monday evening after Commission reception in honour of departing Chairman which Cambodian Government and society attended. The three Commissioners finally agreed at midnight to substitute for final section, quoted in paragraph 4 above, the following paragraphs:

"In spite of the fact that conditions of war and civil strife prevailed in Cambodia until a year ago and that sharp differences had arisen between the Government and the opposition, which alleged that it did not have full freedom, the elections passed off peacefully.

The Commission did not supervise or control the elections but had only an observatory role. Therefore, it has no right to draw any conclusions on the elections as a whole. It considers, however, that the settlement foreseen under Article 6 of the Geneva Agreement has been completed"

By these concessions, which I regard as minor, Wolniak was induced to sign. He did, I think, consider by stretch his instructions to do this.

8. Events of the final 24 hours of this report illustrate, I think, the contradiction in Polish policy in Cambodia which has aimed at consolidating Communist-Indian relations but at the same time avoiding consolidation of Cambodian Government and preserving possibility of (group corrupt) on elections if this could later prove expedient for Ho Chi-Minh. As suggested in my telegram No. 188† and my despatch No. 426 of October 12† on the remarkable change of tone in D.R.V.N. Government's letters to the Commission regarding

Hanoi Radio Broadcasts and D.R.V.N. desire to exchange political missions with Cambodia, Viet Minh authorities find themselves in similar contradiction. In any case the election report negotiations showed Wolniak, though not over-subtle nor perhaps any too brilliant as a negotiator, to be a man of some sincerity and considerable courage.

9. As reported in my telegram No. 185 of October 10, I told Sihanouk about getting an agreed finding on Cambodian elections, and I am confident that he sincerely appreciates the advantages of this.

10. Perhaps the most important issue in the negotiations, however, has been the struggle for Parthasarathi's soul and judgment, since he is likely to be increasingly influential in Indian foreign policy. I have felt that the long-term advantages in Parthasarathi's education lie not in making unreasonable concessions to his left-wing predilections but rather in convincing him of essential fairness and firmness of western, or at least Canadian, attitudes. I think that on the whole this goal has been achieved and that G.P., while somewhat chastened, may in future be somewhat more sympathetic and more respectful toward Western views.

ARNOLD SMITH

666.

DEA/50052-C-40

*Le commissaire de la Commission internationale de surveillance
pour le Cambodge
au secrétaire d'État aux Affaires extérieures*

*Commissioner, International Supervisory Commission for Cambodia,
to Secretary of State for External Affairs*

TELEGRAM 228

Phnom Penh, December 5, 1955

SECRET. IMMEDIATE.

Repeat New Delhi No. 27; London No. 9; Hanoi, Vientiane.

1. Kalelkar has now told Boubonnière, after extracting pledge from latter not to reveal to his Chief, General Kirpal, the source of the information, that Kirpal and he have spoken to Polish Commissioner Wolniak about the clandestine Polish wireless transmitter at Kratie. Apparently Indians told Poles that such activities are inadmissible and "they must stop such nonsense". Kalelkar says he does not know what results, if any, this démarche has had or whether transmitter is still there.

2. Suddenly Polish military and political advisers, with two henchmen, visited Kratie last Thursday, cancelling committee meeting which had been called at their request.

3. In this atmosphere the fact that I gave notice last Tuesday of my intention to introduce at tomorrow's Commission meeting a resolution to eliminate all teams outside Phnom Penh, is inevitably considered darkly significant by Poles and Indians, and I have not discouraged this interpretation, at tomorrow's meeting I anticipate that Indians will ask time to consult their government and that no decision will be taken. While I cannot well insist on immediate vote, I shall probably press for a vote within next two weeks. Indians have suggested informally to me that we might get compromise agreement from Poles to eliminate one or two teams, but not, they say, Kratie.

4. Since Poles now know that Indians at least are aware of their clandestine transmitter at Kratie, and since they must suspect that we also know, it occurs to me that there may be little to lose in taking a very tough line here, and perhaps also in New Delhi implying that

if agreement is not forthcoming on early elimination of all teams we might have to consider whether it would be proper to remain silent on illicit Kratie activities.

5. The fact that the Indians could now hardly deny to us that Poles use Commission teams for subversion (though we are, of course, unable to prove this) might also conceivably be used in pressing Delhi to agree to an early wind-up of Cambodian Commission. But though I hate to mention this, there is always the horrid possibility, which I mentioned to the Minister at Singapore that if the Vietminh seem likely to get nasty during the coming months, we may reluctantly have to re-examine the desirability from the western viewpoint of an early winding-up of the Commissions. Conceivably the balance of advantage might lie in retaining them a while longer, as a deterrent.

6. Incidentally, if we talk to the Indians it would, as things stand, be necessary not to disclose that Major Hanspal and Kalelkar were our informants. But presumably if Indians asked us for our sources, we could refuse to disclose them, letting Indians assume that we gained the information about Polish transmitters directly (by?) our own methods, which we are not prepared to discuss.

7. I have just read Beaudry's interesting report on Vietminh activities in South Vietnam, which was enclosed with Hanoi's despatch No. 6 of November 30.† Beaudry reports that Vietminh are said to have installed many secret radio transmitters all over South Vietnam. This has made me wonder again about the advisability of tipping off CIA about Polish transmitter at Kratie (but?) perhaps asking that they try a monitoring check on team sites, though Kratie may, of course, be silent now. I am still inclined to be dubious about bringing in CIA, but it is I think worth consideration, particularly if it is thought likely that Vietminh may be contemplating serious renewed subversive action in South Vietnam and perhaps in other parts of Indo-China this winter or next spring.

ARNOLD SMITH

667.

DEA/50052-C-40

*Le secrétaire d'État aux Affaires extérieures
au commissaire de la Commission internationale de surveillance
pour le Cambodge*

*Secretary of State for External Affairs
to Commissioner, International Supervisory Commission
for Cambodia*

TELEGRAM DS-180

Ottawa, December 16, 1955

TOP SECRET. IMMEDIATE.

Reference: Your letter No. 451 of November 18† and telegram No. 228 of December 5, 1955.

While we are interested in reducing the establishment of the Cambodia Commission as much as possible, we should be careful not to press for this in such a way as to affect the future of the Commissions in Laos and Vietnam where we are interested in their maintenance as a deterrent to any potential disturbance of the cease-fire. The same argument about the usefulness of the Commission also applies in Cambodia although to a lesser extent.

2. Accordingly we would not wish the information we now have about the Poles at Kratie to reach the ears of anybody who might use it as a means of bringing pressure on

the Commission to get out of Cambodia. Until otherwise instructed I should be glad if you would refrain from discussing it with any of your diplomatic colleagues including British and Americans. I think it would also be wise to keep it within the smallest possible group of people in the Canadian delegation.

3. In the hope of obtaining the removal of all teams outside Phnom Penh, use of the information with the Indians in order to put and maintain moral pressure on them to get your resolution passed may have had some useful effect. We think it would have been better, however, to leave this unexplicit. In our argument with the Indians we should prefer to emphasize the fact that the fixed teams should be abolished because, as the record shows, they have not enough to do to justify their existence. The charge of subversion, as your talk with Kirpal has made clear, would be very hard to develop successfully, in spite of the evidence from Kratie. In our experience the Indians are more likely to appreciate the real nature of Communist activity if we do not press them too hard.

4. We shall telegraph separately our views on the legal question of reduction of establishment as opposed to reduction of activities under Article 25.

5. We are replying by bag on a number of technical points raised in your letter. For purely political purposes however we do not think that monitoring would give any better proof of the existence of the transmitter than the visual observation of the Indian concerned. For this reason we do not wish to bring the United States in at the present time. We intend however to consult with the United Kingdom authorities, but prefer to do this through London, rather than have you talk to them locally.

668.

DEA/50052-C-40

*Le commissaire de la Commission internationale de surveillance
pour le Cambodge
au secrétaire d'État aux Affaires extérieures*

*Commissioner, International Supervisory Commission for Cambodia,
to Secretary of State for External Affairs*

TELEGRAM 254

Phnom Penh, December 31, 1955

CONFIDENTIAL. IMMEDIATE.

Reference: Our telegram 251 of December 27.†

Repeat New Delhi No. 39; Saigon, Hanoi, Vientiane, Paris, London.

REDUCTION

The Poles have been stalling on our reduction proposal, saying they had received no instructions. In order to allow time for the situation to mature and to demonstrate to Indians our patience and reasonableness we have accepted repeated postponement of consideration of our reduction resolution moved on December 6. However, I insisted with General Kirpal's warm approval that it be taken up at a Commission meeting yesterday.

2. Wolniak opened discussion by saying that his instructions had not yet arrived but were expected any day, and that he therefore could not contribute to the debate. I recalled that I had first put forward the substance of our plan last August (and?) the time for decision had, I thought, now come. If any Government wished to retain in being Commission teams which had no legitimate function, that Government could express its position on the report.

3. The day before the meeting I had at General Kirpal's request agreed with him on tactics. These were that I should urge a decision and that Kirpal would place on record that India favoured reduction and would then propose as concession to Poles one further weeks delay or clear understanding that we would (group corrupt) reluctantly accept this final delay.

4. (Group corrupt) At the meeting Kirpal blurted out the gist of the instructions from Delhi which he had transmitted to me in confidence the day before. The General who is an honest and good soul does not seem to have realized that in diplomacy as in war one need not reveal ones falling-back position before the battle. Kirpal explained to Wolniak that his instructions were to endeavour to eliminate straight away during January the teams at Kampot and Kratie. Also according to Delhi the question should again be reviewed in mid-February to consider not only elimination of the two remaining teams at Battambang and Svay Rieng but also now much longer an International Commission should remain in Cambodia.

5. Though it is a pity India would not press more effectively for our full reduction programme at once there is a great deal of advantage in having India squarely on the record for some reduction as well as for considering the future of the Commission as a whole. I hope that this will be sufficient pressure for the Pole to agree to eliminating two teams in January.

6. I have told Kirpal that if he can get the Pole to agree to this plan for team reduction I would be prepared to go along with (him and?) amend my resolution accordingly. I hope you will agree with this course. I have not heard from you on reduction since your telegram Y165 of November 23† except for the repeat of your telegram Y89 of December 20 to Stockholm.†

7. I was however somewhat disturbed by paragraph 3 of your wire to Stockholm. If India and Poland should get the idea that Canada will back away from a position we favour merely because Poland threatens to vote formally against us this would inevitably weaken our position in the Commission. In my view such a development would in the long run make agreed or smooth solutions to Commission problems much less likely rather than more likely. (For example one of our main problems is how and when to wind up the Commission — and if we and India are afraid to be firm about getting out this summer on our own initiative, then it seems that this would make it probable that the Commission would be asked by the Cambodian Government to leave: Poland and the Viet Minh might protest this and the end result would be to increase rather than decrease tension.)

8. To revert to the immediate issue I hope that the Poles will not have gleaned from the Swedes the idea that Canada will not go through with our December 6 proposal for a vote on reduction. My promise to Kirpal to accept the Indian compromise would adequately demonstrate that we are in no way rigid or unreasonable. Unless I hear from you in time therefore I may vote next Thursday with India for eliminating two teams even if the Pole votes against us — providing India still agrees to vote and nothing new develops to make a change in tactics seem wise.

9. We (group corrupt) have to interpret the effect of a two to one vote. I might suggest that the Chairman take time to examine the various legal considerations before determining whether the motion was carried or defeated. This procedural ruling could be postponed for a week or so while the Pole felt further time to "get instructions at last" and (group corrupt). Even if after the Indians rule that the (group corrupt) applies in this case, we could accept this gracefully: and we would still I think be far ahead for the next interim

report by having got the Pole on to the record on a minority of one, against reduction, with ourselves, India in favour.

ARNOLD SMITH

SECTION C

LAOS

669.

DEA/619-L-40

*Le commissaire de la Commission internationale de surveillance
pour le Laos
au secrétaire d'État aux Affaires extérieures
Commissioner, International Supervisory Commission for Laos,
to Secretary of State for External Affairs*

TELEGRAM 99

Vientiane, May 25, 1955

CONFIDENTIAL. IMMEDIATE.

Reference: Your telegram to Vientiane No. 78† and New Delhi No. 316 of May 16.†
Repeat New Delhi No. 61.

RESTORATION OF ROYAL ADMINISTRATION⁶¹

At meeting of May 21 Indian Acting Chairman expressed view that holding of free elections should be our goal and that one of the steps leading to it was restoration of Royal Administration in northern provinces. It was agreed that we would all set to work and that for my part I would submit draft resolution for restoration of Royal Administration.

2. Yesterday I submitted my text, cleared with Royal Government, which I consider improvement on that previously submitted to you and which I am communicating in my immediately following telegram.

3. Poles allege that Commission is not competent to pass such recommendation on ground that question of restoration of Royal Administration may not be disassociated from political settlement.⁶²

4. Indians, desperately non-committal, indicated they have in mind to ask Royal Government how they propose implementing paragraph A of their Geneva declaration if Pathet Lao accept to reintegrate. They would then turn to Pathet Lao and ask them why they do not reintegrate under those conditions. My opinion is that Pathet Lao would raise other unacceptable conditions and that nothing would be done.

⁶¹ Pour un rapport sommaire des activités de la Commission jusqu'à ce point, voir le document 593, paragraphes 11 à 20.

A summary report on Commission activities until this point can be found in Document 593, paragraphs 11 to 20.

⁶² Pour le texte intégral de l'accord de cessez-le-feu au Laos que devait surveiller la CISC, voir France, Ministère des Affaires étrangères, *Conférence de Genève sur l'Indochine (8 mai-21 juillet 1954)*, Paris: Imprimerie nationale, 1955, pp. 427-442.

For the complete text of the ceasefire agreement for Laos that the ICSC was to supervise, see United Kingdom, Parliamentary Papers, Cmd. 9239, *Further Documents relating to the discussion of Indo-China at the Geneva Conference June 16-July 21, 1954*, pp. 18-26.

5. I am sure that my resolution, if accepted by Indians would be rejected by Poles and ultimately by the Pathet Lao on ground of unconstitutionality. At least we would save our honour and disengage our responsibility lest Royal Government resort to force and accuse International Commission of not having attempted to assist them in their just claim.

6. Indians privately agree with my legal interpretation but fear that passing of resolution might affect adversely proposed good offices mission of Mr. Sen. If you approve of my attitude our Acting High Commissioner in New Delhi might assist in convincing Indians that adoption of resolution would not impair chances of success of Mr. Sen.

7. Once this resolution would have been rejected by Pathet Lao, I would propose informing members of the Geneva Conference of such rejection as well as of Pathet Lao rejection of Indian declaration, resolution and Nong Khang resolution (no reply has yet been received from Pathet Lao High Command about Nong Khang resolution but I have no doubt they will also reject it).

[L.] MAYRAND

670.

DEA/619-L-40

*Le commissaire de la Commission internationale de surveillance
pour le Laos
au secrétaire d'État aux Affaires extérieures*

*Commissioner, International Supervisory Commission for Laos,
to Secretary of State for External Affairs*

TELEGRAM 100

Vientiane, May 25, 1955

CONFIDENTIAL. IMMEDIATE.

Reference: My telegram No. 99 of May 25th.

Repeat New Delhi No. 62.

RESTORATION OF ROYAL ADMINISTRATION

Following is text of my draft resolution on restoration of Royal Administration in two northern provinces, Begins:

The International Commission for Supervision and Control in Laos.

1. CONSIDERING that the sovereignty, the independence, the unity and the territorial integrity of Laos were recognized in the Geneva settlement and expressly underwritten by all the members of the Geneva Conference in paragraph 12 of their final declaration;

2. CONSIDERING that political administration is an attribute of sovereignty and that the authority of the Royal Government (groups corrupt) exercise of this function throughout the whole of Laos is apparent from the terms of its declaration of July 21, 1954, at Geneva of which note was taken in paragraph three of the final declaration of the conference;

3. CONSIDERING that the (group corrupt) this declaration of the Royal Government can be considered a guide to the interpretation of Article 14 of the agreement and that the nature of the political settlement envisaged therein;

4. CONSIDERING that the declaration of November 4, 1954, made by the Pathet Lao delegate on this joint commission, that the Pathet Lao forces recognize the Royal Government and that in principle the Administration of Pathet Lao in the two provinces of Sam

Neua and Phong Saly is classified under the supreme authority of the Royal Government, was recognition of the existing legal situation;

5. CONSIDERING that the Royal Government was entitled as from August 6, 1954, to exercise directly its right of administration in the provinces of Sam Neua and Phong Saly;

6. CONSIDERING that insofar as the International Commission is concerned the actual re-establishment of the Royal Administration in the provinces of Sam Neua and Phong Saly was delayed because of the belief in the possibility of an early political settlement;

7. CONSIDERING that by its unanimous resolution dated December 3, 1954 the International Commission recommended that representatives of the Royal Government and Pathet Lao should examine together the means to adopt with a view to attaining within the framework of the political settlement envisaged in Article 14 of the Geneva Agreement the re-establishment of the Royal Administration in the provinces of Sam Neua and Phong Saly;

8. CONSIDERING that the negotiations have so far led neither to the political settlement nor to the re-establishment of the Royal Administration in the provinces of Sam Neua and Phong Saly, that until this is accomplished the unity and integrity of Laos and the sovereignty of the Royal Government remain impaired;

9. CONSIDERING that the question of the re-establishment of the Royal Administration in the provinces of Sam Neua and Phong Saly is independent from that of the political settlement envisaged in Article 14 of the Geneva Agreement;

10. CONSIDERING that the re-establishment of the Royal Administration in the provinces of Sam Neua and Phong Saly has become immediately imperative in view of the approaching general elections;

11. RECOMMENDS:

(a) That the Royal Administration in the provinces of Sam Neua and Phong Saly should be re-established without further delay;

(b) That the Royal Government in resuming administration of the provinces of Sam Neua and Phong Saly should abide by the terms on its unilateral declaration at Geneva of July 21, 1954 referred to above;

(c) That the fighting units of Pathet Lao should endeavour within a limit of eight days from the date of the receipt of this recommendation to concert with the Royal Government the appropriate arrangements for the reintroduction of the Royal Administration;

(d) That if at the end of this period no, repeat no, agreement has been reached both parties will fully inform the International Commission on the situation and of their attitude. Ends.

[L.] MAYRAND

671.

DEA/619-L-40

*Le commissaire de la Commission internationale de surveillance
pour le Laos
au secrétaire d'État aux Affaires extérieures*

*Commissioner, International Supervisory Commission for Laos,
to Secretary of State for External Affairs*

TELEGRAM 106

Vientiane, May 31, 1955

CONFIDENTIAL. IMMEDIATE.

Reference: My telegram No. 100 of May 25.

Repeat New Delhi No. 65.

RESTORATION OF ROYAL ADMINISTRATION

At informal meeting today with Kirpal and Banerjee Indians gave us text of draft resolution, which they have submitted to New Delhi for approval, making recommendations regarding the political settlement. You will note that preamble is almost identical to preamble of my draft resolution on restoration of Royal Administration. Following is text of Indian draft resolution:

“The International Commission for Supervision and Control in Laos:

(a) Considering that the sovereignty, the independence, the unity and the territorial integrity of Laos were recognized in the Geneva settlement and expressly underwritten by all the members of the Geneva conference in paragraph 12 of their final declaration;

(b) Considering that the terms of the Royal declaration of 21 July, 1954, and the final declaration can be invoked as a guide to the interpretation of the nature of political settlement as envisaged under Article 14;

(c) Considering that the declaration of November 4, 1954, made by the Pathet Lao delegate on the Joint Commission that the Pathet Lao forces recognize the Royal Government and that in principle the administration of Pathet Lao in the two provinces of Phong Saly and Sam Neua is classified under the supreme authority of the Royal Government was recognition of the sovereignty of the Royal Government;

(d) Considering that by its unanimous resolution dated December 31, 1954, the International Commission recommended that representatives of the Royal Government and Pathet Lao should examine together the means to adopt with a view to attaining within the framework of the political settlement envisaged in Article 14 of the Geneva Agreement inter alia the re-establishment of the Royal Administration in the provinces of Phong Saly and Sam Neua;

(e) Considering that the negotiations between the parties have not so far led to the political settlement;

(f) Considering that the political settlement has become very urgent in view of the general elections which are to be held in 1955.

Recommends:

1. That the Royal Government should take immediate measures to integrate all citizens without discrimination including the fighting units of Pathet Lao into the national community and to guarantee them the enjoyment of the rights and freedoms for which the constitution of the kingdom provides;

2. That the Royal Government should take steps so that all Laotian citizens may freely participate as electors or candidates in the forthcoming general elections by secret ballot;

3. That pending the outcome of the general elections the Royal Government should promulgate measures to provide for special representation for the fighting units of Pathet Lao and for the Laotian nationals who did not support the Royal forces during hostilities in the Royal Administration of the provinces of Phong Saly and Sam Neua;
Recommends further:

4. That the fighting units of Pathet Lao should agree to be reintegrated in the national community and to offer their allegiance to the king of Laos and obedience to the law and constitution of Laos;

Recommends further both to the Royal Government and the FUPL;

5. That they should create mutual confidence, trust and good will in order to implement the above stated recommendations and to build up one united stable, stronger and peace loving Laos."

2. Our first reaction is that this is much more than we expected Indians to propose. At meeting we suggested following small revision to recommendation to Pathet Lao. This was to add following to beginning of sentence. "In order to enable the Royal Government to implement the recommendations contained in the three paragraphs above the fighting units of Pathet Lao should." Indians agreed to this. Further comments will follow in separate telegram.

[L.] MAYRAND

672.

DEA/50052-B-40

*Le commissaire de la Commission internationale de surveillance
pour le Laos
au secrétaire d'État aux Affaires extérieures*

*Commissioner, International Supervisory Commission for Laos,
to Secretary of State for External Affairs*

TELEGRAM 107

Vientiane, June 1, 1955

CONFIDENTIAL. IMMEDIATE.

Reference: Our telegram No. 106 of May 31st.

Repeat New Delhi No. 66.

INDIAN DRAFT RESOLUTION FOR POLITICAL SETTLEMENT

You will have observed that Indian draft resolution practically reproduces "considering" one, three, four, seven, eight and 10 of our draft resolution on restoration of Royal Administration; also that its specific recommendations to the Royal Government correspond to the obligations undertaken by them in paragraph (group corrupt) the unilateral declaration. Its conclusions are broader insofar as it goes for the political settlement and not only for restoration of Royal Administration.

2. While I had so far maintained the thesis that the political settlement mentioned in Article 14 was solely the business of the parties, who had, therefore, the right to conclude it at the moment of their choice, the Indian resolution formally recommends that it be

concluded now. I should welcome your legal opinion on this. For my part I feel I might elegantly fall in with the Indian proposal on the ground that the political settlement has now become necessary if the general elections are to take place before the end of 1955, as envisaged in paragraph three of the final declaration.

3. Last paragraph of Indian resolution is of course pure Indianish.

[L.] MAYRAND

673.

DEA/50052-B-40

*Le secrétaire d'État aux Affaires extérieures
au commissaire de la Commission internationale de surveillance
pour le Laos*

*Secretary of State for External Affairs
to Commissioner, International Supervisory Commission for Laos*

TELEGRAM 89

Ottawa, June 3, 1955

CONFIDENTIAL. IMMEDIATE.

Reference: Your telegram No. 107 of June 1.

Repeat New Delhi No. 361 (Immediate).

INDIAN DRAFT RESOLUTION FOR POLITICAL SETTLEMENT

We have referred the Indian resolution to Legal Division and shall forward its views early next week. In general, we think that you might hold your resolution in abeyance and go along with the Indian one provided you are satisfied that the Royal Government would consider it helpful.

2. It would perhaps have been better if the Commission were to state outright that the Royal Administration should be re-established in the northern provinces without further delay. However, we consider that paragraph 3 of the operative part of the Indian resolution is important because it implies that the Royal Administration should be so re-established. This point should be made clear to the Government. Recommendations 1 and 4 are also important in that they will give the Government the Commission's backing in any steps it takes to reintegrate the Pathet Lao into the national community, and this, in turn, will wipe out the separate authority of the Pathet Lao. It will, of course, be very difficult for the Government to implement these recommendations but, if the Pathet Lao do not cooperate, it would seem desirable for the Government to refer each such instance to the Commission so that the latter can, if necessary, give its blessing (in formal resolutions) to the Government measures which the P.L. refuse to follow. It will be very important in the following critical weeks for the Indians and ourselves to proceed in agreement and for the Government to work closely with the Commission insofar as possible and not to antagonize the Indian Delegation. It is to be hoped that the Indian Delegation will not be content to sit back and do nothing more.

3. On the other hand, if this Indian resolution is adopted, there is no specific obligation on the Government to clear everything with the Commission and it is perhaps better that way as the Government will be freer to push ahead with its task within the general framework of the Indian resolution.

4. You will gather that we consider that the Indian resolution represents an advance along the right lines in Indian thinking, and it is to be hoped that New Delhi will approve this

initiative on the part of the Indian Delegation. We would have no objection if Williams were to let the Indian authorities know that you would be amenable to keeping your resolution in abeyance and voting for the Indian resolution, provided that the latter is not watered down. If you would like Williams to do this, please wire him direct with our blessing.

674.

DEA/50052-B-40

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

TELEGRAM 373

New Delhi, June 5, 1955

CONFIDENTIAL. IMMEDIATE.

Reference: Telegrams Nos. 99, 102, † 106, 107 from Vientiane to you and your telegram No. 362 of June 3.

Repeat Vientiane No. 32.

RESTORATION OF ROYAL ADMINISTRATION

1. The initiative of Kirpal and Banerjee in producing a draft resolution has not been welcomed by the ministry here.

2. At Dutt's request I called on him Saturday June 4. He told me that Sen would act as Chairman of the Indian delegation during the absence of Khosla. (I am inclined to think that this decision which was taken yesterday morning resulted from ministerial displeasure at Kirpal and Banerjee's action). Dutt went on to say that it has not yet been decided whether on Khosla's return Sen would become his political adviser or whether he would act as some sort of special representative of India in Laos.

3. Dutt told me that Banerjee's resolution did not jibe with the thinking in the Ministry, particularly in view of the appointment of Sen as a sort of mediator. Dutt said that he had only received Banerjee's resolution by mail on Friday June 3. A telegram was sent to Banerjee almost immediately instructing him not to proceed with the resolution.

4. Essentially the Indian position is that the restoration of the Royal administration in the two northern provinces and a political settlement must to some extent go hand in hand and that this may possibly be more easily achieved by the efforts of Sen rather than by a Commission resolution. Given this general position it is understandable why the Indians do not like our commissioner's resolution. Although Dutt said that he was not trying to influence our attitude he hopes I think that we will not press our resolution to a vote at this time.

5. I did not ask Dutt whether Sen, as acting Chairman, would support our resolution if it were put to a vote. Nor did Dutt give any specific indication of what the Indian attitude on our resolution might eventually be. I am inclined to think, however, that the Indians are not disposed to support us at this time.

6. I pointed out to Dutt that the record of the Commission must clearly show that it has done its best to assist the Royal Government to restore its administration in the two northern provinces. I emphasized that this was an important consideration. Dutt then alluded to the question of the Royal Laotian Government resorting to arms. He said such action would undoubtedly result in the Pathet Lao seeking assistance from its friends and in these circumstances it was by no means certain that the Royal Government would succeed. In

any event the resulting situation would clearly upset the Geneva settlement. I argued that Commission approval of a resolution like that of our commissioners might deter the Royal Government from taking any precipitate action. This line of argument seemed to make some impression on Dutt.

7. Dutt told me that Desai who has recently returned to Delhi has reported that it is his considered opinion that it is unlikely that there will be any final settlement in Laos until the Vietminh see how things are working out in Vietnam. Dutt suggested that the Vietminh are probably unwilling at present to lose the protection to their flank which the Pathet Lao in the two northern provinces provide.

8. Although the Indian attitude is undoubtedly influenced to a very considerable degree by Sen's mission they also do not want the Commission to pass a resolution which would produce no practical result but would merely harden the existing deadlock which they seem to think might be resolved given more time for negotiation. The Indians are not, I think, optimistic that the Pathet Lao will suddenly become more cooperative than they have been in the past. On the other hand the Indians appear to be hopeful that the Pathet Lao may eventually provide more cooperation.

9. In view of Dutt's present attitude to Mayrand's resolution you may wish to consider the desirability of going slow for the moment until Mayrand has spoken with Sen and Holmes has seen Dutt. It is, I believe, going to be a difficult job to bring the Indians along with us certainly until Sen has been if not disillusioned at least frustrated. There is I suppose something to be said for giving Sen a chance, as long as the Indians understand that we will not cool our heels interminably.

[B.M.] WILLIAMS

675.

DEA/50052-B-40

*Le commissaire de la Commission internationale de surveillance
pour le Laos
au secrétaire d'État aux Affaires extérieures*

*Commissioner, International Supervisory Commission for Laos,
to Secretary of State for External Affairs*

TELEGRAM 116

Vientiane, June 15, 1955

CONFIDENTIAL. IMMEDIATE.

Reference: Weekly progress report No. 37 paragraph 3.

Repeat New Delhi No. 74.

RESTORATION OF ROYAL ADMINISTRATION

At yesterday's meeting as I was pressing for vote on our main resolution, adding that I would insist on publicizing results, Sen offered to substitute draft letter to Prime Minister in answer to Katay's questions as to right of Royal Government to re-establish its administration in the two northern provinces. Sen's draft letter was not satisfactory to us because it did not make clear distinction between theoretical right as already admitted by Pathet Lao and claim to effective administration as affirmed by the Royal Government, this claim having so far been rejected by Pathet Lao pending political settlement.

2. We proposed alterations to Indian draft and to our pleasant surprise succeeded in having Polish delegate accept our principal amendments. Main paragraphs unanimously

adopted; text reads as follows: "The Geneva Agreement in Laos does not, repeat not, make any specific mention of the establishment of the Royal Administration in any part of Laos but the right of the two provinces from the date of the cease fire may be deduced from the recognition by the Geneva (powers?) of the unity of Laos and the sovereignty of the Royal Government over the entire country. This has never been disputed and has been recognized in principle by the fighting units of Pathet Lao in their declaration of November 4, 1954."

3. Our concession was in second part of letter which reads as follows: "The Commission realizes, however, that in view of the conditions prevailing in the provinces of Phong Saly and Sam Neua it would be difficult to establish the Royal Administration in these two provinces effectively without the political settlement envisaged in article (14(d)?) of the Agreement. It is presumed that what ever arrangement might be arrived at by the parties must conform with the basic pattern of the Geneva Agreement. The Commission, therefore, reiterates its hope that the talks between the parties will be resumed without delay and that all efforts will be made to pursue them until the political settlement is reached".

4. I consider it an appreciable gain to have secured the admission by Polish delegation of Royal Government right to (group corrupt) actual administration as from the date of the cease fire. We even obtained from Poles their assent to communicating contents of this letter to the press.

5. Polish Acting Commissioner is too experienced to have yielded to us by mistake, and I, therefore, presume he must have received new instructions from his government. Could it be result of negotiations at higher international level? I cannot say but will watch for further indications of a change.

6. I announced that I would merely suspend action on my draft resolution while observing progress of political negotiations. We now propose to cooperate with Sen in assisting parties in these negotiations if feasible. If and when Sen has had opportunity of seeing for himself that Pathet Lao are simply opposed to (full?) political settlement at present juncture, then we might re-introduce our resolution again.

[L.] MAYRAND

676.

DEA/50052-B-40

*Extrait d'un télégramme du commissaire
de la Commission internationale de surveillance pour le Laos
au secrétaire d'État aux Affaires extérieures*

*Extract from Telegram from Commissioner,
International Supervisory Commission for Laos,
to Secretary of State for External Affairs*

TELEGRAM 155

Vientiane, August 11, 1955

SECRET. IMMEDIATE.

Reference: Your telegram No. 122 of August five.†
Repeat New Delhi No. 96.

SITUATION IN LAOS

The following is a review of the general progress of the work of the Laos Commission and proposals on the position which we might take during the next two months.

(a) SEATO. Present indications are that nothing will come out of the Bangkok meeting which would give opportunity for Poles or Indians to raise objections (see our recent progress reports on subject). Any publicity on military aid agreement, however, might result in this being discussed in Commission. August eight Lao Presse carried story concerning direct aid for the armed forces of Laos being transferred to a special semi-autonomous section of the State Department. At Political Committee meeting on August nine Poles raised possibility of military aid agreement and Indians assured them that Commission would examine any such agreement carefully. The text of exchange of notes which you sent to us under Washington's letter No. 1214 of July 18^{†63} would indicate there is nothing in them contrary to Geneva Agreement.

(b) We have no reports of increasing Vietminh intervention except those referred to you in our military appreciations. We cannot, however, rule out possibility suggested by you as there seems little doubt that situation in Vietnam is closely tied up with (group corrupt) of two provinces. We will continue to press for investigation into Vietminh activities but cannot be too optimistic about success (see our telegram number 139 of July 21†).

(c) Attitude of Royal Government on political talks has not been encouraging. A combination of inexperience and laziness has led them to procrastination. They delay talks on most flimsy pretexts and do not present arguments well. Full reports of political negotiations have gone forward to you in our weekly progress reports and despatches. Royal Government seems more anxious to conclude reasonable military settlement, at least in Province of Sam Neua, probably due to difficulties of supply and reinforcement of isolationists. They indicate preference for good sized area based upon border of Xieng Khouang Province but with additional wedge projecting well into Province of Sam Neua for purposes of prestige and retention of degree of influence. Consolidated area would permit them to set up nucleus of Royal Administration. Royal Government have continually pressed Commission to take more active role in helping settlement of problems in Phong Saly and Sam Neua. They have particularly called for Commission assistance in interpretation of contentious articles 14 and (19?) and in re-establishment of Royal Administration.

(d) Our relations with Indians continue to be good. At recent Commission meeting Sen told Poles that only real difference between Canadian and Indian views are on method and timing. Indians do not wish to become involved in legal question or interpretations of articles unless there is complete breakdown in negotiations. We on other hand, think that clarification by Commission of points of difference might facilitate negotiations. For Sen's plans see paragraph 2(d) below.

2. Following are our views on various questions you have raised:

(a) Possibility of agreement on election procedure seems slight as Royal Government will not agree to amendment of electoral law nor would there appear to be time for them to undertake or implement amendments. They have promised no discrimination against Pathet Lao sympathizers, but their assurances are not accepted by Pathet Lao. For latest points of view see paragraph 1 of our weekly progress report No. 45 of August 6th† and my despatch No. 335 of August 6th.†

⁶³ Pour l'échange de notes, voir United States, Department of State, *United States Treaties and Other International Agreements, 1956, Volume 7, part 3*, Washington D.C.: United States Government Printing Office, 1957, No. 3664, pp. 2833-2838.

For the exchange of notes, see United States, Department of State, *United States Treaties and Other International Agreements, 1956, Volume 7, part 3*, Washington D.C.: United States Government Printing Office, 1957, No. 3664, pp. 2833-2838.

(b) Sen raised question of elections yesterday. He seemed satisfied with views expressed in your telegram No. 98 of July 2nd† and apparently realizes Commission could only play limited supervisory role. There is no indication Royal Government wish direct Commission intervention, although they might seek our advice and agree to Commission acting in observatory and limited supervisory capacity. They consider, however, that conduct and management of the elections is their sole prerogative. We are aware of danger of establishing precedent in Laos which might embarrass you in Vietnam and will not make commitments without consulting you.

(c) Prospect for agreement on restoration of Royal Administration in two northern provinces has deteriorated (see paragraph one of our telegram No. 152 of August 6th†) which indicates that two positions are very far apart indeed. Royal Government expressed satisfaction at Commission's letter of June 15th but would prefer stronger recommendation such as that proposed in my resolution.

(d) Sen is extremely concerned about slow progress of political negotiations, and new Polish Commissioner unlike predecessor shows some awareness of need for urgency. Because political talks did not get underway as soon as expected and have progressed more slowly than we hoped for, Sen has somewhat revised timetable. His plans as told us yesterday are as follows:

(i) As elections are scheduled for December 25 and campaigning is to commence 60 days beforehand with nominations on October 20, the last possible date for settlement, keeping in mind that minimum time needed for arrangements and preparation of electoral rolls is one month, would be September 19.

(ii) Because of inexperience and poor administration longer time would be preferable so Sen agrees if discussions have not made progress by September four Commission must start making recommendations. This would give three weeks for Commission to pass resolution but Sen hopes we would accomplish this by September 10 which would give ten days for parties to accept or reject. In the meantime Sen leaves on August 13 to call on Prince Souvannavong at Sam Neua in last attempt to persuade Pathet Lao to be more reasonable. He bases hope that this might produce some results on talks he had with Pham Van Dong during recent visit to Hanoi. I think Sen's timetable shows his complete awareness of need for action. Final attitude of Indian Government is, of course always element of doubt.

...

677.

DEA/50052-B-40

*L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures*

*Ambassador in United States
to Secretary of State for External Affairs*

TELEGRAM 1495

Washington, August 31, 1955

CONFIDENTIAL

LAOS

In the course of a general conversation today the Laos Desk officer at the State Department, Miss Byrne, expressed again the State Department's concern at developments in Laos.

2. As you are aware from previous correspondence, the State Department hopes that the International Control Commission will find it possible to report to the co-Chairmen of the Geneva Conference in a fashion which will lend strong support to the Royal Government's claim to authority over the two northern provinces. The State Department realizes the importance of the Indian attitude on the point and recognizes that the Indian Government must be convinced of Pathet Lao intransigence. Interested United States officials are concerned, however, at Sen's willingness to delay Commission action unduly.

3. Miss Byrne said that the State Department had learned of Sen's most recent change of timetable, which would delay Commission action several weeks. They heard as well that the visit to New Delhi of Crown Prince Savang has been put off until late in September. They are inclined to believe that New Delhi has been responsible for delaying the Crown Prince's visit in order that Sen may continue his efforts.

4. There has been some thought given in the State Department to a United States approach to New Delhi on the Laos situation. It had been decided, in the light of Prince Savang's forthcoming visit, not to make United States representations at this time. The State Department believes that Savang is the most capable spokesman Laos can field and was, therefore, not inclined to "steal his thunder" in New Delhi. The delay in his trip may, however, cause a change in the State Department's plans.

5. Miss Byrne asked us to express to you the State Department's appreciation for your willingness to provide it with the accounts of Sen's talks with Souvannavong and the Vietminh Foreign Minister (your telegrams No. 1504 and 1493 of August 26).† As you might expect, responsible State Department officials regard gloomily Sen's appreciation of the good faith of the two individuals with whom he spoke. The State Department understands that Sen has also made arrangements for a meeting between Prime Minister Katay and Souvannavong.

678.

DEA/50052-B-40

*Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis*

*Secretary of State for External Affairs
to Ambassador in United States*

TELEGRAM 1536

Ottawa, September 2, 1955

CONFIDENTIAL

Reference: Your telegram No. 1495 of August 31.

LAOS

Please tell State Department that we share their concern at delays in the Commission's action and their desire that the Commission lend support to the Government's case in the two northern provinces.

2. On the first point Mayrand's reports indicate that Sen is quite conscious of the need for the Commission to act in time before the election preliminaries (nominations, preparation of rolls) are under way. We understand that the United Kingdom Ambassador in Laos is sounding out Sen discreetly with a view to getting some confirmation of our understanding of the Indian timetable and with the hope of getting Sen a little more firmly committed to dates for Commission action.

3. In the first place, the Commission's effective intervention will, in our opinion, depend on how fully and responsibly the Government has presented its case in the current political negotiations, in order to make the Pathet Lao's bad faith and obstructionism apparent to all. We have received reports of an intended joint approach by the United Kingdom Ambassador with his American and French colleagues to the Royal Government to impress upon the latter the necessity of making the required presentation of its case.

4. Please convey to the State Department our view that it would be preferable for them to hold their hand with the Indians pending the United Kingdom Ambassador's soundings of Sen and the intended tripartite approach to the Royal Government. We think that United States intervention in Delhi might be a little premature at this time and not achieve the desired results; later it might be more effective. We would appreciate receiving any information which the State Department may have regarding the tripartite approach.

5. You might wish to remind the State Department that Indian tactics are not the result merely of an ingenuous attitude towards the Pathet Lao and a need to be convinced of Pathet Lao sincerity — although that is an element in it. Their chief concern, however, arises from their doubt as to whether a reference to the co-chairmen will achieve any useful result and their fear that it might only prevent what slight chance there is of the political settlement which alone could change the actual situation in the northern provinces. For our part we are, as the State Department knows, prepared to go ahead with a clear-cut finding against the Pathet Lao and a reference to the co-chairmen because we consider ourselves obliged to do so because we think this clarification of the legal position will be of some value. However, we doubt very much that such an act will alter the real position in Laos — unless, of course, the Western Powers are prepared to make an issue of Indochinese questions with the Communist Powers at the present time. While we do not quarrel with the State Department's desire for a Commission decision, we think that they may be over-estimating what it would accomplish.

679.

DEA/50052-B-40

*Note du sous-secrétaire d'État aux Affaires extérieures
pour le secrétaire d'État aux Affaires extérieures*

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

SECRET

[Ottawa], September 28, 1955

INDIAN PLAN FOR A SETTLEMENT IN LAOS

The Indians have submitted to the Commission their plan for a settlement in Laos and we have been asked to send our views on it to Vientiane at the latest by September 30 when Katay and Souvannavong are due to meet.

2. We have already receive from the United Kingdom and the United States a number of observations which we have taken into account in drafting the attached telegram of guidance for our Delegation which we submit for your signature if you approve.

3. We also attach a memorandum discussing the Indian plan in the two successive versions in which it was submitted to us.

J. L[ÉGER]

[PIÈCE JOINTE/ENCLOSURE]

*Note**Memorandum*

[Ottawa], September 28, 1955

THE TWO VERSIONS OF THE INDIAN PLAN FOR A POLITICAL
SETTLEMENT IN LAOS

Our main objective in Laos is the re-incorporation of the two northern provinces, Phong Saly and Sam Neua. There are three aspects to this re-incorporation:

- (a) Administrative: the restoration of Royal Administration in the two provinces;
- (b) Electoral: the holding of national elections under the conduct of the Royal Laotian Government;
- (c) Military: the demobilization and/or integration of the Fighting Units of the Pathet Lao in the Laotian National Army.

2. On September 12, the Indian Chairman communicated informally to our Delegation his plan for a political settlement which would achieve this triple re-incorporation. All three aspects were worked out in some detail although without a precise enough procedure on timetable for their implementation. On September 21 we sent Mr. Mayrand a telegram [Y-162]† instructing him to press for a procedure and timetable. These instructions were based on the premise that a sufficient degree both of Royal Administration in the two northern provinces and of military integration of the Pathet Lao had to be achieved in order that the elections in effect be held under RLG responsibility and that there be no post-election possibility of Pathet Lao disengagement from the political settlement.

3. In the meantime, the Indian Chairman submitted to the Commission a much watered down version of his plan:

Original Plan

(a) a fifty-fifty division of RLG and PL officials in the two northern provinces.

(b) elections to be fully under responsibility of RLG.

(c) regroupment and check of PL forces and integration of them by small groups into limited number of LNA units.

Modified Plan

(a) appointment of Royal Laotian Governor and one or two high functionaries; joint RLG-PL administrative councils to recommend other appointments.

(b) same but with joint RLG-PL advisory councils to check possible irregularities and closer I.C. supervision of and participation in electoral proceedings.

(c) no military integration scheme provided except in most general terms.

4. The main purpose of this watering down was apparently to make it more difficult for the Pathet Lao to refuse the plan: thus restoration of Royal Administration was limited to the appointment of a minimum of officials, more "guarantees" concerning elections were given and no suggestion was made of disappearance of PL units into the LNA.

5. The watering down was also the result of a series of behind-the-scenes conversations in Vientiane. For instance, the military integration scheme was dropped by Mr. Sen at the insistence of the U.S. Ambassador, Mr. Yost, that it would result in the LNA being contaminated by Communist elements and the whole future of American aid for Laos would be prejudiced if it became known that the U.S. Government should subsidize an army containing appreciable communist elements.

6. Mr. Young, the director of the State Department's Office of Southeast Asian Affairs, has told our Embassy in Washington that "the State Department agrees (i.e. with Mr. Yost) that the integration of Pathet Lao forces throughout the Royal Army might lead quickly to the subversion of the only element of strength on the Royal Government's side, the Royal Army" (paragraph 5 of telegram 1609 of September 21 from Washington†).

7. On the subject of Royal Administration, the Laotian Prime Minister himself said to the United Kingdom Ambassador in one of the behind-the-scenes conversations that restoration on a fifty-fifty basis was not required and that it would suffice, in order to achieve control of the electoral machinery, that the Governor, the President of the tribunal and the Tassengs⁶⁴ (officials who control the polling stations according to the electoral law) be all Royal Laotians. It would appear that the modified Indian plan has been kept vague on the subject of Royal Administration in order to permit the hammering out of an agreed scheme between the two parties.

8. However, there is another aspect of the restoration scheme in the modified plan. It calls for joint RLG-PL administrative councils which would have the task of recommending the officials to be appointed in addition to the few high functionaries. The Foreign Office has commented that it does not like this formula because in effect the Royal Government would be giving hostages to the Pathet Lao and the joint administrative councils would play straight into the latter's hands. The State Department have also expressed concern at his scheme which would, in their opinion, not only compromise the fundamen-

⁶⁴ «Tasseng» était le titre porté par le chef d'un district administratif local au Laos.

"Tasseng" was the title of the head of a local administrative district in Laos.

tal principle of the Geneva Agreement that the Royal Government had authority over the two northern provinces, but also that the scheme would leave the way open for needless negotiations, during which time the Pathet Lao would continue in *de facto* control in the provinces and would reinforce that control.

9. With regard to the conduct of the elections, the modified Indian plan, while providing for joint RLG-PL councils to check possible irregularities, does not seem to give these councils much teeth in that it requires that they take action only on a two-thirds vote. In practice this would probably mean that the Pathet Lao would find it difficult to push a complaint through: the Progressive and the Independent Parties, who now form the governmental coalition, would together be able to block any such complaint even if the other party (National Union) now in opposition with only four deputies should do the unlikely and vote with the Pathet Lao on those committees. However, the existence of such councils could conceivably prevent irregularities from being committed, even if no complaint could effectively be made should an irregularity have in fact occurred.

10. Of more immediate interest to us is the provisions in the modified Indian plan according to which the Commission would have representatives:

- (a) At the polling stations, to ensure fairness and to sign papers recording the count;
- (b) at the taking of the final count at the provincial headquarters.

11. The Pathet Lao would apparently attach some importance to such a safeguard which would not be unreasonable in Foreign Office opinion. The latter have expressed the hope that we will not be "too unbending" on this point. Our attitude so far is that the Commission should take no direct responsibility in the election and should only supervise them generally in accordance with the provisions in the Geneva Agreement concerning the safeguard of democratic freedoms and the prevention of reprisals.

12. As can be seen from the foregoing, the modified Indian plan removes drastically any possibility that our Delegation implement our instructions of September 21 and seek to obtain acceptance of the principle that Royal Administration be sufficiently restored and the Pathet Lao sufficiently integrated to permit an effective conduct of the elections by the Royal Laotian Government. The original Indian plan was definitely slanted in favour of the RLG and would have put the onus of rejection on the Pathet Lao, whereas the modified plan is more "neutral". Conceived, as Mr. Sen says, to make it more difficult for the Pathet Lao to reject it, the possibility is however increased that the onus of rejection will be on the RLG, which causes considerable dissatisfaction in the Foreign Office. The modified plan would clearly give the Pathet Lao a maximum chance of getting their candidates elected in the two northern provinces and it gives no guarantee that, after the elections, Royal Administration will have been restored to any effective degree. Finally, with the Pathet Lao forces still intact there would be no change in the practical situation. There would only be a new national assembly with probably some Pathet Lao deputies.

13. It is against the background described in the foregoing that we have prepared our telegram of instructions to Vientiane.

680.

DEA/50052-B-40

*Le secrétaire d'État aux Affaires extérieures
au commissaire de la Commission internationale de surveillance
pour le Laos*

*Secretary of State for External Affairs
to Commissioner, International Supervisory Commission for Laos*

TELEGRAM Y-168

Ottawa, September 28, 1955

SECRET. MOST IMMEDIATE.

Reference: Your telegram 198 of September 17.†
Repeat London Y-1617; Paris Y-623; Washington Y-1670; New Delhi Y-648.

LAOS: PLAN FOR POLITICAL SETTLEMENT

It is not clear to us here just what procedure is envisaged by you and by Sen in putting his plan to the parties and in subsequent Commission action should the plan be rejected by one of the parties. Your telegrams have tended to emphasize the formal character of the recommendations and automatic reference to the co-chairmen if the recommendations are rejected. Williams' telegrams suggest that both Sen and the Ministry conceive of the plan as more informal proposals to the parties with the question of a reference to the co-chairmen in the event of rejection less automatic. It may be well, therefore, for us to clarify first our views as to the competence of the Commission to make recommendations regarding (a) restoration of the Royal Administration in the two northern provinces, (b) elections and (c) military settlement.

2. *Competence of the Commission Regarding Restoration of the Royal Administration:* It has been our view that the Commission is competent to recommend the restoration of the Royal Administration in the two northern provinces along the lines of Mayrand's proposed resolution.⁶⁵ If the RLG and the PL are unable to reach agreement on a procedure for giving this recommendation effect then we think that the Commission could propose a procedure which recognizes the sovereignty of the RGL (i.e. is acceptable to it) and protects the PL against reprisals. should (a) the general recommendation and (b) the proposal of a procedure to give it effect be rejected by the PL then we think that a report should be made to the co-chairmen under Article 36.

3. *Competence of the Commission Regarding Elections:* We do not think that the Commission is competent (a) to recommend a plan for the elections as this would trench upon the sovereign authority of the RLG or (b) to serve in any executive capacity in the conduct of the elections as this would exceed its supervisory functions as defined in paragraph 27. Its role should be confined to observation, hearing complaints and reporting. In addition, as you know, we have a special private reason for wishing to avoid establishing a precedent in Laos for the Commission laying down a plan to ensure fair elections which could be used as an argument for the Commission laying down a similar plan for elections in Vietnam. For these reasons we cannot agree to the Commission sponsoring Sen's plan for elections although we would have no objection to modified proposals being put to RLG by Sen on a personal basis. Rejection of such proposals by RLG would not, however, fall within provisions of paragraph 36.

⁶⁵ Voir/See Document 670.

4. *Competence of the Commission Regarding Military Settlement:* Article 14 gives the fighting units of the Pathet Lao a special status in Phong Saly and Sam Neua only "pending a political settlement". We interpret the political settlement to be one reached directly between the RLG and the PL or the holding of elections by Royal Government whose administration has been restored in the two northern provinces. As the political settlement can only be implemented progressively we consider that a military settlement might properly go hand in hand with the restoration of the Royal Administration. If the RLG and the PL fail to reach agreement on a procedure we consider it within the competence of the Commission to recommend a procedure. If rejected, we consider that a report to the co-chairmen would be called for under article 36.

5. It should be observed that the Laos agreement does not contain provisions similar to those of articles 5 and 6 of the Cambodia agreement relating to the demobilization on the spot of the Khmer resistance forces and their acceptance for service in the regular army or local police formations if they satisfy the conditions required for current recruitment. The Laotian Government is only obliged by its declaration to take the necessary measures to integrate all citizens, without discrimination, into the national community and to guarantee them the enjoyment of the rights and freedoms for which the constitution of the Kingdom provides. It is evident, therefore, that the RLG is not obliged to accept members of the fighting forces of the Pathet Lao for integration into the Laotian National Army and we do not think that the Commission is competent to make such a recommendation. The Commission is competent to recommend how the LNA should progressively take over the two provinces in step with the progressive implementation of the political settlement and in interpretation of articles 14 and 19.

6. From a practical point of view we imagine that the RLG is concerned to find some plan to minimize the continuing threat that would be posed by part of the fighting forces of the Pathet Lao taking to the jungle or retreating into Vietminh territory as the LNA takes over the two provinces. Although carrying evident risks we thought that Sen's original plan for integration of the FFPL professionals might serve as some inducement to the latter not to go to the Maquis while retaining sufficient guarantees of preponderant non-communist control of the army. We consider that this or any other plan is solely the responsibility of the RLG and that it is for them to weigh the pros and cons including the U.S. reservations which should be given due weight. You are authorized to discuss the problem informally but not to make any recommendation.

7. *Presentation of the Plan:* For the reasons mentioned above we believe that the Commission should not adopt Sen's plan as a formal recommendation to the parties, but should instead pass a modified version of the assumptions and chapter I of it to them as informal suggestions for a political settlement. At the Commission meeting when this decision is taken, you should inform the Commission that if the parties have not signified their willingness to accept the plan by October 11, you plan then to call for a vote on your resolution for the restoration of RLG sovereignty. The stage will then be set for a reference to the co-chairmen at a later date when the time seems suitable, at which time a factual report could also be presented recounting the presentation of the informal suggestions and the reaction to them.

8. You should also indicate at the Commission meeting that in view of the limitations on the Commission's competence we cannot agree to the inclusion of the section of the plan concerning elections as part of the Commission's informal suggestions, although we would be quite happy if these are passed to the parties as purely Indian proposals.

9. Finally, you should indicate that if the political settlement plan is accepted by the parties, the Commission will have to consider at a later stage the question of a military settlement (which will have to be implemented in conjunction with the political settlement), this being a matter properly within the Commission's competence and therefore a legitimate subject for a Commission recommendation.

10. *Detailed Comments:* We think that it would be useful to incorporate a brief statement containing the essential assumption of the resolution on the restoration of Royal Administration, i.e. that the latter is consistent with the Geneva Agreement and that the unilateral Laotian declaration as well as necessary for the holding of the elections. This incorporation could take the form of a preamble to paragraph 5(a) of your telegram under reference.

11. We note that paragraph 5(a)(i) provides for "nomination and establishment of Royal Governors, etc." We think that it should be made clear that the nomination is to be made by the RLG. The present wording is so vague as to permit the Pathet Lao to argue that they also could make nominations. We note that the RLG requested, and that the Indians consider, that the plan should be amended to permit the two governors to take such a number of Royal officials, both administrative personnel and police, as may be necessary to enable them to carry out their tasks. We would welcome such an amendment and would like to add that the tasks should be defined sufficiently so that they will include the conduct of the elections and everything necessary to the actual restoration of Royal Administration.

12. Paragraph 5(b)(ii) merely provides that the implementation of the scheme about changes is to begin on October 11. We think that this procedure should be speeded up so that the fifty-fifty formula or any other one acceptable to the RLG can be achieved by the time the elections are held. Otherwise, a loophole would be provided for the PL to carry out obstruction and delaying tactics.

13. Apart from not being very satisfactory to the RLG and the United States, the Joint Administrative Councils provided for the two provinces leave something to be desired in our opinion as well. We recognize that the governors should have some machinery at their disposal for consultation with the Pathet Lao concerning the change over. However, the Joint Administrative Councils in their present form could be used by the Pathet Lao to upset or even veto the regular administrative procedures. The word "joint" in their designation also smacks a little too much of Pathet Lao proposals made earlier in the year. We would therefore prefer that the designation reflect, or at least that the body be given, a consultative role, i.e. one which would not involve the veto and would be decreasing to the point of an eventual windup once the fifty-fifty formula is established in practice or alternatively by the time the elections are held. In this respect we think that the plan should set a date for the termination of activity of the administrative councils.

14. Paragraph 6(b)(vi) of your telegram under reference should be restricted to its first repeat first and third repeat third sentences, as the second sentence implies the taking of initiative which could be construed as interference. The fourth sentence might be replaced by something to the effect that the Commission's teams should inform the Commission.

15. We understand that the Indians have objections to the teams signing the record of the results. We share those objections on the grounds that the teams should restrict themselves to an observation role.

16. We trust that the "Commission" referred to in sub-paragraph (xi) is the Royal Laotian electoral commission described in subparagraph (viii) and not the International Commission.

17. We would have no objection to paragraph 7 of your telegram under reference provided its dispositions are acceptable to the RLG. Finally we are happy to note your views

as expressed in your telegram 209 of September 27† that “it is now more essential than ever that the plan be made acceptable to the Royal Government.” We would like to emphasize the corollary of this which should be our guiding principle: that if the plan is to be rejected, the rejection must be made by the Pathet Lao and not by the RLG. Now that the Pathet Lao are taking a stiffer attitude and that Prince Souvannavong has called off his meeting with Katay, according to CRO telegram, the rejection will very likely come from the expected quarters. We trust that within the framework of the above instructions it will be possible to achieve at least a moral RLG victory.

[L.B.] PEARSON

681.

DEA/50052-B-40

*Le commissaire de la Commission internationale de surveillance
pour le Laos
au secrétaire d'État aux Affaires extérieures
Commissioner, International Supervisory Commission for Laos,
to Secretary of State for External Affairs*

TELEGRAM 219

Vientiane, October 3, 1955

SECRET. MOST IMMEDIATE.

Reference: Your telegrams Y162,† 166† and 168 of September 26, 28, and 29.
Repeat New Delhi No. 130; Hanoi, Phnom Penh.

PLAN FOR POLITICAL SETTLEMENT

As it seems important to carry Sen with us as far as possible before the plan is discussed in the Commission, at my first meeting with him on September 29 and at the two meetings with him and Talbot on September 30 I conveyed to him our views as I understood them when I left Ottawa and as outlined in your telegram Y162 of September 21 (Ballachey had already conveyed similar views to the Indians before my arrival). At the second meeting with Talbot, the latter proposed, in somewhat greater detail, the modifications which Malcolm MacDonald had already suggested in New Delhi.

2. The result of these conversations may be summarized as follows (references are to text as in our telegram No. 198).

(a) In paragraph 5(a)(i). Sen has agreed to replacement of words “and one or two high functionaries” to words “with sufficient officials to enable them to carry out their tasks”.

(b) In paragraph 5(a)(ii). Sen has agreed to alteration of “Joint Administrative Councils” to “Pathet Lao Advisory Councils” or some such designation, the important point being that the function of these bodies would be advisory, not, repeat not, administrative, and that they would be entirely Pathet Lao. He has also agreed to consequential changes in other parts of paragraph 5, i.e., in 5(a)(iii) which incidentally would now be moved into the second phase; in 5(b)(ii) the opening word of which would read “the Governor, on the advice of the Advisory Councils should, etc.”; in 5(b)(v) and in 5(f)(ii).

(c) The right of the government to take disciplinary action without veto by the Advisory Councils would somehow be safeguarded in 5(f)(i) although it is not, repeat not, yet clear whether Sen would be prepared to abandon the concept of a discharged Pathet Lao man being replaced by another Pathet Lao.

(d) Paragraph 6(b)(vi) would be amended so that there would be no, repeat no, expectation that the Commission's teams would normally be present at the polling booths or that they would take any initiative themselves to remedy a defect on the spot.

(e) The provisions for signing of results by members of the Commission team could be deleted from paragraph 6b(vii) although consideration might be given to team members, where feasible, observing the count. The Royal Government have indicated they would not, repeat not, object to this.

3. On Saturday evening, on receipt of your telegram No. Y168 I had a further meeting with Sen, at which Ballachey was present. I told him I had received my instructions and outlined to him the main substance of your paragraphs 2-16. The results of this conversation may be summarized as follows:

(a) *Restoration of Royal Administration*: Sen in no way disputes the competence of the Commission to recommend restoration but points out that it is implicit in the plan that the Royal Administration be restored. He feels that a statement such as that suggested in your paragraph 10 would be rather out of place as a preamble to paragraph 5(a) and he would prefer to expand the introductory point in paragraph 4 by including a statement to the effect that the suggestions are made on the assumption that the settlement is to be in accordance with the Geneva Agreement, the Laotian declarations and the final declaration of the Geneva powers which provide for restoration of Royal Administration, elections, democratic freedoms and guarantees against reprisals.

(b) *Elections*: Sen accepts your judgement that the Commission is not, repeat not, competent to recommend a plan for the elections but observed with a shrug that, in a sense, "the whole thing is illegal". By this he meant that the Commission is not, repeat not, really supposed to be in the business of suggesting a basis for a "political settlement". He supposed that the election proposals might be put forward by him personally but rather shrank from the prospect of another piece of the plan being handled on a different procedural basis from its main body. I will enlarge on this point when discussing "presentation of the plan". So far as the Commission role vis-à-vis conduct of the elections is concerned, there is little difference between the Indian view and ours. I think we can reach a satisfactory understanding along the lines of your paragraphs 14 and 15.

(c) *Military Settlement*

(i) Sen agrees with the sense of your paragraphs 4-6. We are agreed that the first essential is an agreement between the parties which would separate the forces. The attitude of the Defence Minister, when I talked to him on September 30, was not, repeat not, encouraging. He clearly felt that the Pathet Lao were in bad faith and were simply buying time and he gave no indication that the RLG intended to end the remaining area of disagreement by giving favourable consideration to the latest Pathet Lao proposal. Katay, when Sen saw him the same day, gave him the impression that the latest Pathet Lao proposal had not, repeat not, yet been considered by Cabinet. Sen is doing his best, in Katay's absence, to impress on the Pathet Lao their desirability of military agreement and will, I hope, take the matter up with him on his return.

(ii) With respect to integration I was glad to learn through the Americans here that you had discussed in Washington the difficulty posed by their opposition to absorption for a portion of Pathet Lao forces to LNA. I was disappointed to learn subsequently from the Americans that, in despite of Canadian and United Kingdom views, the State Department had officially confirmed Yost's stand. I do not know whether or not, repeat not, Yost has yet advised RLG accordingly. When I saw Katay on September 30 he spoke of the need to integrate some Pathet Lao forces in at the LNA. When Sen saw the Crown

Prince the following day the latter spoke of certain difficulties in the way of this, though he said nothing about the United States attitude and I believe was thinking of Laotian difficulties. I take it last sentence of your paragraph 6 does not, repeat not, imply objection to paragraph 5(e)(i) of draft plan. In absence of some basis for discussion between parties of integration of some Pathet Lao into LNA, inclusion of 5(e)(ii) is all the more desirable; it is, however, a very inadequate substitute for a more concrete proposal outside the plan, and negotiations might well founder for lack of practical means of bringing about disbandment of the Pathet Lao forces.

(iii) I will endeavour to have Sen include in the plan something along the lines of the last sentence of your paragraph 5 but I am doubtful if he would consider this useful in present circumstances.

(d) *Your Detailed Comments*

(i) Sen is agreeable to the suggestion in the first sentence of your paragraph 11.

(ii) Sen is somewhat at a loss as to origin of suggestion re police in this paragraph. The only time that police have been mentioned as far as we know was in the Foreign Office plan which Sen has not, repeat not, seen. I will endeavour to have phrasing broad enough to include police.

(iii) The important point covered in your paragraph 12 is one which we have several times made to the Indians without success. Sen says that it would be impossible to have the administrative changeover completed by the time election takes place. This is especially the case because of the absence of a military settlement. Until Sen can feel assured that establishment of Royal Administration can march hand in hand with a military settlement as well as with electoral preparations, it will be very difficult to move him on this point. I shall probably have to bring to bear more specifically the arguments in your paragraph 2. Perhaps the key passage here is your interpretation of a procedure which recognizes the sovereignty of the RLG as one which is acceptable to it. You will have noticed from the information we have sent you on the RLG attitude to the plan, that they would probably be satisfied with something like the 50-50 formula. Our recent information suggests they will revert to the view that what they really need is control of all the Tassengs; according to Sen this means they are confident the Tassengs could exert their traditional influence to win the elections for them. Furthermore, the Crown Prince has sounded Sen out on the idea that elections in the two northern provinces simply be postponed until such time as the Royal Administration is effectively restored. Talbot has discouraged Sen from thinking seriously of this because he fears that, in effect, the status quo would simply be prolonged indefinitely. For the reasons outlined, however, I am not, repeat not, hopeful at present that Sen will agree to tightening of the plan in the manner you suggest.

(iv) The suggestions in your paragraph 13 have already been met, except for that in your last sentence which I think I could get covered by some modification of 5(b).

(v) The important points in your paragraphs 14 and 15 have been met.

(vi) The assumption in your paragraph 16 is correct.

(vii) We understand that paragraph 7 would be acceptable to the RLG.

(e) *Presentation of the Plan*: Sen envisages the plan as going forward as informal suggestions from the Commission, preferably on a unanimous basis. He hopes that this technique will allow us to agree to inclusion of the chapter on elections. I have said that I might be able to agree to this if he would agree in advance that, in the event of there being no agreement, the substance of the plan would be formally written into the Commission records along with a formal record of the attitudes adopted by the parties. Sen thought this

reasonable and suggested that the plan might then be included in an interim report to the co-chairmen with a covering explanation that it was not a formal recommendation but only informal suggestions which all three delegations had agreed to make to the parties. Sen said he realized it might also be necessary to pass recommendations on specific issues such as restoration of the administration, within the Commission's competence which, if turned down by one or both of the parties, would provide basis for reference under Article 36. He would like, however, to be sure that the plan as a whole could be drawn to the co-chairmen's attention and he felt this was a way of accomplishing his aim without becoming involved in legal controversies. If this procedure were followed I would prefer that the recommendations be made simultaneously and forwarded at the same time as the interim report. I have not, repeat not, yet spoken to Sen about the use we would make of Mayrand's resolution in the event there is no settlement, though he doubtless guesses we have this in mind. I will of course speak at the meeting in the sense of the second sentence of your paragraph 7.

4. There is to be a Commission meeting tomorrow but I doubt if the plan will be discussed. As of last night Zambrowicz was still waiting for his instructions. In any case Sen intends to discuss the plan with him privately, as he has with me, before it is discussed by the Commission. I intend to have another session with Sen after he sees Zambrowicz and before discussion in the Commission. This discussion must, of course, take place soon, whether or not, repeat not, there is to be a Katay-Souvannavong meeting. If there is, the plan would be introduced with the agreement of the parties if they are unable to reach a settlement themselves. Last night I asked Sen what he proposed to do if there were no meeting. I thought it might be presented simultaneously to the RLG and the Pathet Lao delegation here.

5. It is perhaps unlikely that we can agree unanimously in the Commission on the substance of the suggestions to be made to the parties. For this reason my main objective is to obtain maximum agreement with Sen, while preserving the essentials of our position in the light of our interpretation of the agreement and the legitimate rights of the Royal Laotian Government. Sen will try very hard for an agreed plan; failing this, he will be much inclined to put the plan forward himself. He does not, repeat not, want to side with us against the Poles in this matter or vice versa, if he can possibly avoid it. If it comes to this, I will try to convince him that our views flow from an objective appraisal of the Geneva agreement.

[P.] BRIDLE

682.

DEA/50052-B-40

*Le commissaire de la Commission internationale de surveillance
pour le Laos
au secrétaire d'État aux Affaires extérieures*

*Commissioner, International Supervisory Commission for Laos,
to Secretary of State for External Affairs*

TELEGRAM 224

Vientiane, October 5, 1955

SECRET. MOST IMMEDIATE.

Reference: Our telegram No. 219 of October 3.
Repeat New Delhi No. 135; Hanoi, Phnom Penh.

PLAN FOR POLITICAL SETTLEMENT

In view of the positive instructions in your telegram Y168 regarding deletion from plan of section on elections I tried hard this morning to persuade Sen to accept deletion. I was unsuccessful and Sen made it clear that if we insisted he would put the whole plan forward as his own indicating degree of concurrence by colleagues.

2. I said we prefer plan to go forward as informal suggestions from Commission and suggested our position vis-à-vis the elections might be somewhat eased if the prefatory assumptions were to include one to the effect that, even though some of the matters touched on do not fall within the Commission's competence, the parties desire to receive informal suggestions on these as well as on other matters as a possible basis for settlement. Sen said he would be agreeable to such an addition to the preamble.

3. I also made another effort to have the draft tightened up with respect to effective restoration of administration during election period. After consulting Talbot I decided that, in view of Sen's previous attitude, it would be impossible to have paragraph 5(b)(ii) strengthened to an extent satisfactory to the RLG. Since the RLG appear to make a distinction between the officials required to supervise the conduct of the elections and those needed to fully restore their administration, I decided to ask Sen to add to the first sentence of paragraph 5(a)(i) as now amended a definition of the tasks as including supervision of the conduct of the elections. He agreed to this if it were prefaced by the word "primarily". I am satisfied that this was as far as Sen can be moved at the present time.

4. Sen said Zambiwicz had raised no real difficulties but had warned Sen that he might have more points to raise in the light of his instructions which he has still not yet received. In spite of this Sen is now redrafting the plan in the light of our comments and intends to discuss it with us tomorrow. I understand that, if plan is sufficiently agreed by Friday afternoon, Sen will raise it in Commission meeting that afternoon making clear it would be put forward in Rangoon as informal suggestions if and when desired by parties. He hopes agreed (group corrupt) and translation can be completed before departure but will not insist on this.

5. With regard to inclusion of section on elections I would be grateful if you would weigh possible future difficulties in Vietnam against likely consequences of deletion with respect to more immediate Laotian situation. It appears that Royal Government is fully prepared to receive suggestions regarding elections and is reasonably satisfied with proposals as now drafted; also, I understand that the Commission made some suggestions regarding elections in Cambodia and that our role here would be along similar lines. Also if section is deleted Sen will almost certainly put plan forward himself and we would have no guarantee that the important amendments we desire would be included. Result might be proposals difficult for RLG to accept even after discussion. Further disadvantage would be possibility that if plan is not accepted by Sen he (group omitted) not support us on recommendation re restoration of Royal Administration. As you know we do not rate chances of agreement in Rangoon very high and are anxious to reserve satisfactory basis for future action in which Indian co-operation essential.

6. I made it clear to Sen that, while I hope to be able to agree to inclusion of section on elections on basis outlined above, I cannot guarantee this. At the Commission meeting I will reserve our right to disassociate ourselves from inclusion of this section in the plan but I very much hope that you may be able to authorize me to agree to its inclusion.

7. I take it that paragraph two of your telegram No. Y-168 refers to a recommendation along the line of Mayrand's which we may introduce at a later date and not to the Sen plan.

8. I would be grateful for your speediest advice in Rangoon on point raised in paragraphs 1-2 and 5-6.

[P.] BRIDLE

683.

DEA/50052-B-40

*Le commissaire de la Commission internationale de surveillance
pour le Laos
au secrétaire d'État aux Affaires extérieures
Commissioner, International Supervisory Commission for Laos,
to Secretary of State for External Affairs*

TELEGRAM 229

Vientiane, October 7, 1955

SECRET. MOST IMMEDIATE.

Reference: My telegram No. 226 of October 5.†
Repeat New Delhi No. 141; Hanoi, Phnom Penh.

PLANS FOR POLITICAL SETTLEMENT

Sen asked Zambrowicz and me to meet him yesterday afternoon to discuss his plan with a view to having it cast in a form in which it could be presented to the parties with a covering letter from Sen as Chairman of the Commission. This letter would take the place of the prefatory assumptions in paragraph four of our telegram No. 198† and would contain some additional introductory material. The general purport of the letter is that the Chairman has drawn up an outline of settlement which might provide an adequate basis for discussion between the parties if desired by them. He incorporates the points covered in paragraph 3(a) of my telegram No. 219 and in paragraph 2 of my telegram No. 224. There is a new paragraph on integration of forces, the object of which is simply to draw the parties attention to the problem, which I have succeeded in having modified in a manner which is consistent with the instructions in your telegram Y-168.

2. The presentational basis in this letter is a little vague. At one place it says the Commissioners "have agreed to let the Chairman present the attached informal suggestions". In another it refers to "the views of the Commission" and in another that "the outline is presented to the parties for their consideration by the Chairman after full consultation with and concurrence of his colleagues". Sen was most reluctant to tidy up this verbal confusion and I can only conclude that, until he is sure that the Pole (who still says he has not received his instructions) will not throw some last minute monkey wrench and that I will not disassociate myself from inclusion of the elections chapter, he wants to leave himself free to put the plan forward himself with what he calls "negative concurrence" from his colleagues — i.e., he would say we have no objection to his putting it forward.

3. As matters stand there is an agreed draft which would go forward as informal suggestions to the parties with the concurrence of all three Commissioners. This morning, consulting separately with Talbot, I had two further sessions with Sen with the object of getting the draft as near as possible to what we believe the RLG would accept. Zambrowicz was to see Sen after I left him. I expect to see the final draft later this afternoon. If it is not substantially different from what Sen has agreed to in talking to me, I will concur in it as a basis for discussion between the parties.

4. The draft as it now stands, after discussion with Zambrowicz and Sen, and subsequently with Sen alone, provides for a first phase from D to October 31 and a second phase from November 7 to November 12. It meets first point in paragraph 11 of your Y-168 by providing for establishment of Royal administration with Royal Governors and with sufficient staff, (Zambrowicz would not agree to specific mention of nomination by Royal Government). The balance of this section provides for sufficient staff to enable them to carry out their tasks in connection with the election and the preparations thereof.

5. The main change mentioned in paragraph 2(b) of my telegram No. 219 has been made.

6. Paragraph 5(a)(iii) is still in the first phase and says "the groups are required to examine the structure ... and to recommend etc."

7. Paragraph 5(b)(ii), as presented to us by Sen merely said the advisory groups should recommend to the provincial governors etc. I have persuaded him to change this to read "at the request of the provincial governors the advisory groups should recommend to them etc." (this, of course, is a compromise with the formula reported in my telegram No. 219). Sen has added to 5(b)(ii) "the implementation of this process should begin and be completed to a point where the election procedure in all the provinces to be considered uniform and in accordance with the legal provisions."

8. There has been no change in 5(b)(v).

9. I have got 5(f)(ii) reworded to read "to advise us on the working out of etc."

10. I believe that, in view of strong opposition by the Pole, Sen may, as he told me he would, reword 5(f)(i) to make it less open to a veto interpretation, but of this I cannot yet be sure.

11. Sen has added under "considerations"; "the scheme has been so drawn up that the establishment of Royal administration before the elections should be made primarily with a view to ensuring a uniform force of elections throughout Laos".

12. I found that Sen's rewording of paragraph 6(b)(v) left something to be desired as implementation of the amendment foreshadowed in paragraph 2(d) of my telegram No. 219. I have been able to persuade him to agree to a wording which, while not perfect, largely meets the intent of your instructions. There is still more than a suggestion that the teams should assist the supervisory teams but the main responsibility is clearly thrust on the latter. The Commission's team would be expected to report to the Commission if it was dissatisfied with the action taken by the supervisory team. I hope that this formula, which is the best I have been able to secure, will not be too unpalatable.

13. I feel that the plan, if the final draft conforms to my expectations, is sufficiently close to what you would wish and to what we expect the RLG may be able to consider favourably to enable me to concur in its presentation. If, either as a result of changes demanded by the Pole or in the event that you are unable to authorize me to agree to inclusion of the chapter on elections, I am unable to concur in it, I will have no alternative but to allow Sen to put it forward himself saying that his colleagues have no objection to its being presented. If this happens I can only hope that Sen's own appraisal will lead him to preserve the essential features of the plan which we feel flow from a correct interpretation of the agreement.

14. I will forward the text on the final draft when received insofar as this is necessary in the light of our telegram No. 198.

15. At the Commission meeting which took place after the above was written, Sen said he would be putting the plan forward as formal suggestions with the concurrence of his colleagues. The Pole indicated concurrence. So did I but reserved our position with respect

to inclusion of elections chapter. I also made appropriate observations regarding alternative action in event of no political settlement and regarding need for military settlement. Pole's concurrence and fact that his previous firing at plan was little more than sporadic is hard to understand. Whatever the explanation I have a feeling it bodes no good so far as Communist attitude is concerned. Let us hope we have produced something the Royal Government will find reasonably acceptable.⁶⁶

[P.] BRIDLE

684.

DEA/50052-B-40

Note du chef de la Direction de l'Extrême-Orient
Memorandum by Head, Far Eastern Division

SECRET

[Ottawa], October 26, 1955

RANGOON TALKS ON LAOS

The Prime Minister of the Royal Laotian Government, Mr. Katay, and the head of the Pathet Lao (Communists), Prince Souphanouvong, held talks in Rangoon October 9-13. The International Commission for Laos was also in Rangoon at the same time to lend its good offices if required in order to assist the parties to reach a political settlement. The three Commissioners sat in at the beginning of the first meeting at which the Indian Chairman submitted his "Outline for a Settlement" which he had previously discussed with his two colleagues. Immediately after, the parties decided that they would conduct the talks alone, i.e., without the Commission, and would only brief the latter at the end of each meeting.

2. Mr. Katay then led off by suggesting a discussion of the Indian Chairman's plan but the Pathet Lao leader answered that they should discuss practical problems one by one. Both proceeded to draft an agenda in which they agreed to include the following points:

- (a) Cessation of hostile acts;
- (b) Restoration of royal administration (in the two northern provinces now held by the Pathet Lao);
- (c) Elections;
- (d) Disposition of Pathet Lao forces.

3. On the first point the parties reached an agreement to put a stop to the incidents which had been going on throughout last summer in and around the areas where the Laos National Army held some posts in the two northern provinces. A substantial measure of agreement in this respect had already been achieved after weeks of military negotiations between the parties in Vientiane so that this agreement, while giving welcome assurance that there will be peace at least for a period of time in Northern Laos, merely finalized previous agreements and is therefore not a development of major proportions. One thing

⁶⁶ Pour le texte final du plan Sen, voir United Kingdom, Parliamentary Papers, Cmd. 314, *Third Interim Report of the International Commission for Supervision and Control in Laos*, London: Her Majesty's Stationery Office, 1957, pp. 40-46.

For the final text of the Sen plan, see United Kingdom, Parliamentary Papers, Cmd. 314, *Third Interim Report of the International Commission for Supervision and Control in Laos*, London: Her Majesty's Stationery Office, 1957, pp. 40-46.

that surprised us, though, was the Government's acceptance of a provision precluding it from reinforcing its units in the two northern provinces.

4. On the three other points, no agreement was reached at all. The parties merely stated their conflicting points of view. On the last point, the disposition of Pathet Lao forces, they did not even initiate any discussion. On the restoration of royal administration, the Royal Laotian Government Delegation insisted on appointing a sufficient number of officials to enable the royal administration to carry out its tasks whereas the Pathet Lao Delegation refused to accept more than a Governor for each province assisted by one or two high functionaries. On the subject of elections, Mr. Katay restated his Government's intention to hold elections on December 25, 1955, which requires the electoral campaign to begin on November 10 and nominations of candidates to be in by October 11. He stated that the Pathet Lao had lost their right to participate in the elections outside the two northern provinces as they had not put up any candidates by October 11. He offered a postponement of the date for nominations in the two northern provinces only, but the Pathet Lao insisted that they should participate in nation-wide elections. Mr. Katay offered to ask the Permanent Bureau of the National Assembly whether it would be willing to accept Pathet Lao nominations up to October 31.

5. At the conclusion of the meetings the parties issued a vague communiqué, the main point of which was that they were agreed to continue their political negotiations in Vientiane.

6. The outcome of the talks is on the whole rather negative. The Royal Laotian Government has given further proof of its conciliatoriness but the Pathet Lao have made no concession at all. They have instead been successful in exploiting the Government's spirit of conciliation to drag out the negotiations further. They have evaded the Indian plan and the timetable which it contained. They have even managed to weaken Mr. Katay's stand on the necessity to adhere to the election's timetable at least with regard to nominations. Meanwhile they are continuing to maintain their hold on the two northern provinces, which risks with the passage of time of acquiring the status of a *fait accompli*. There is as a result no timetable nor firm basis permitting the Government to pin the responsibility on them for the failure to reach a settlement. Nor is there any clear timetable or basis for the Commission to bring matters to a head in such a way that the Commission can report to the co-Chairmen and help the RLG score a moral victory at least.

A.R. MENZIES

685.

DEA/50052-B-40

*Le secrétaire d'État aux Affaires extérieures
au commissaire de la Commission internationale de surveillance
pour le Laos*

*Secretary of State for External Affairs
to Commissioner, International Supervisory Commission for Laos*

TELEGRAM Y-201

Ottawa, November 4, 1955

SECRET. IMMEDIATE.

Reference: Your telegram No. 263 of November 1.†

Repeat New Delhi Y-758; Paris Y-722; London Y-1836; Washington Y-1872.

COMMISSION ACTION

It appears in the light of your telegram under reference that there are two ways for resumption of action by the Commission: an Indian way and a Canadian way.

2. The Indian way would be:

- (a) to recommend the Sen plan formally to the parties;
- (b) simultaneously to put the question to the co-Chairmen as to the Commission's competence to recommend the Sen plan formally;
- (c) to follow up with our resolution⁶⁷ on restoration, if necessary.

3. The Canadian way would be:

(a) to recommend restoration formally and thereby lay the stage for the adoption by the Commission of the Sen plan as a whole with the chapter on procedure for restoration being susceptible of later interpretation as a formal recommendation, and the chapter on elections only to be regarded as a Commission restatement of its understanding of the way in which the government would apply the electoral law in matters of special concern to the Pathet Lao; or

(b) to recommend restoration formally, followed by a request from the RLG on how to implement this recommendation upon which Sen's plan on restoration only could be reintroduced as a formal recommendation under article 34.

4. We also understand that Sen would want to strike a bargain with us according to which we would support their plan as a whole in a formal recommendation, while in return they would support our resolution. It might as well be recognized straightaway that we could not bargain away our legal position in this fashion. While we fully understand Sen's desire to formalize his plan in view of the ineffectiveness of the previous informal presentation of it and while we fully understand and endorse his intention of regaining the initiative which was lost in Rangoon, we can only envisage the Commission taking action under the provisions of the agreement on the cessation of hostilities in Laos. There is no basis in that agreement for the Commission making a recommendation regarding electoral procedure.

5. In this respect, it seems to us that the admission reflected in paragraph five of your telegram under reference that there is some doubt regarding the competence of the Commission to recommend Sen's plan as a whole weakens the whole Indian course of action. If the question of competence is put to the co-Chairmen at the same time as a recommendation goes forward to the parties, either the question is framed in such a way as to inform the co-Chairmen only and this will give ground for the Pathet Lao (who will no doubt be kept posted by the Poles) to reject the plan if they don't like it; or the Commission puts up the question with a request that the co-Chairmen establish the Commission's competence, and this will have the practical effect of postponing the implementation of the recommendation until the co-Chairmen's opinion is received, which may cause undue delays, quite apart from the fact that the co-Chairmen in all probability may not be able to settle the issue.

6. There is in addition a danger that the doubt surrounding the first phase of the Indian course of action will reflect on the subsequent introduction of our resolution. Apart from putting the cart before the horse, this could probably cripple the horse and remove the already slim chances the Commission has of regaining the initiative.

⁶⁷ Voir/See Document 670.

7. It seems to us that in the present circumstances and with time running out fast, we should not squander the one sure resource of the Commission's established competence to recommend restoration.

8. If the Indians cannot be made to see the validity of the above argument and consequently to adopt our course of action then the precondition for any Commission action will be the resumption of the initiative by the RLG itself. In this respect it should be noted that it is not the informality of the introduction of Sen's plan which caused the initiative to be lost in Rangoon but rather Katay's failure to lead off with and adhere to the Sen plan or at least a sufficient number of its provisions in the negotiations with the Pathet Lao. This should now logically be the move for him to make, coupled with the move described in our telegram No. Y-196 of November 1.†

9. Delhi: without referring to the latter move, nor (in view of paragraph 8 of the telegram under reference) to Sen's course of action as being Sen's idea, please discuss with your Indian colleagues the general alternative of the re-introduction of our resolution followed by that of Sen's plan versus the reverse procedure and our opposition to the latter, with the help of the arguments outlined in the foregoing. Such a discussion may forestall the effects of Sen's views if these are not yet known in Delhi. If they are known, we should still try to press our arguments once again before falling back on some other course of action such as the one mentioned in the last line of the preceding paragraph.

10. London, Paris, Washington: For your information only.

11. Vientiane: Please sound out Sen once again.

686.

DEA/50052-B-40

*Le commissaire de la Commission internationale de surveillance
pour le Laos
au secrétaire d'État aux Affaires extérieures*

*Commissioner, International Supervisory Commission for Laos,
to Secretary of State for External Affairs*

TELEGRAM 278

Vientiane, November 11, 1955

SECRET. IMMEDIATE.

Reference: Telegrams No. 261 October 29† and 275 of November 10† and your telegrams Y-171 of October 5,† Y-193 of October 28† and Y-196 of November 4.

Repeat New Delhi No. 180; Hanoi, Phnom Penh.

COMMISSION ACTION

Talbot and I have been trying to persuade Sen that, apart from whatever steps the Commission may take to forward the RLG letters⁶⁸ to the co-Chairmen, the next step should be the Mayrand resolution suitably amended rather than reintroduction of the Sen plan. I have had two (long?) sessions with Sen on the text of the resolution and Talbot has helped out informally. We have now produced a revised draft which is substantially different from the

⁶⁸ Le gouvernement royal du Laos a envoyé deux lettres à la Commission internationale (datées du 8 novembre et du 10 novembre) pour faire rapport sur l'impasse dans les négociations avec le Pathet Lao. The Royal Laotian Government sent two letters to the International Commission (dated November 8 and 10) reporting on the deadlocked negotiations with the Pathet Lao.

May 24 text but which Talbot and I feel would serve the essential purposes of this resolution. Sen, who hopes that Zambrowicz might possibly associate himself with the resolution, is going to sound him out later today. Particularly in view of the letters the Commission has received from the RLG, I would not agree to the revised resolution without discussing it informally with them beforehand. I will forward the present revised draft in a separate telegram. It seems quite possible, especially if Zambrowicz should agree to support the resolution, that Sen, who has asked his government for a free hand, would give up his present plan to reintroduce the Sen plan.

2. This latter possibility is little more than a "hunch" at the moment and I would like to be in a position to discuss any redraft of Sen's plan which he may produce. I would of course do my best to make the section on restoration susceptible of acceptance by the RLG. I would be grateful for your earliest possible advice on two other points. The first, which I have already put to you, is the question of the suitability of paragraph 6(b)(vi) of our telegram No. 198† from the point of view of International Commission responsibilities. The second, is the more fundamental question of the basis on which we could agree to the section on elections being put forward.

3. Last night Sen told me he was not happy about the revised wording of the introductory part of paragraph 6(b) proposed in your telegram Y-171. He suggested that if the plan were to go forward as a formal Commission proposal but not as a formal recommendation he might be satisfied with the present wording of 6(b) which merely puts forward suggestions for consideration. I reminded him that it is our view that the Commission is not competent to recommend anything, even informally, on the conduct of elections and we feel that the Commission should only put forward its understanding of the arrangements which the RLG would be prepared to make having heard the views of the Pathet Lao. He did not comment but I think that, if we came to discussing a redraft of the plan, we would probably find ourselves irreconcivably opposed on this point.

4. I fully appreciate both the legal considerations which underlie your instructions and the related considerations with respect to a possible Commission attitude towards elections in Vietnam. Sen knows that both these considerations weigh with us and I think you are probably right in believing that a time might come when the Indians would propose similar action by the Vietnam Commission. You are best able to judge whether it is more important to protect our position in Vietnam, in relation to what may be a rather remote contingency, than to prevent a break with Sen over his plan which might reduce the chances of his supporting our resolution. I think this is a point of significance because I have gathered from Sen that his government, which would still like him to exhaust the possibilities of the plan, would be surprised if Zambrowicz and I, having associated ourselves with it when it was put forward on a personal basis, were not able to support it, with some revision, as a Commission proposal. I would therefore be most grateful for any further latitude you may be able to afford me which would make it possible for me to associate myself with a suitably revised Sen plan in the event that Sen persists in reintroducing it. I might add that, in fact, I would do my best to have the section on Supervisory Commissions greatly watered down or if possible removed and, before using any further latitude you may give me, I would use my present instructions as a lever to achieve this if at all possible.

[P.] BRIDLE

687.

DEA/50052-B-40

*Le commissaire de la Commission internationale de surveillance
pour le Laos
au secrétaire d'État aux Affaires extérieures
Commissioner, International Supervisory Commission for Laos,
to Secretary of State for External Affairs*

TELEGRAM 281

Vientiane, November 12, 1955

SECRET. IMMEDIATE.

Reference: Our Telegram No. 282 of November 12.

Repeat New Delhi No. 183; Hanoi, Phnom Penh.

INDIAN DRAFT RESOLUTION ON OBSERVATIONS OF CEASE FIRE AGREEMENT

Following is text of Indian draft resolution which I received from the Indian Chairman; "The International Commission for Supervision and Control Laos,

1. Considering that cessation of all hostilities between the Forces of the Royal Laotian government and the fighting with the Pathet Lao is one of the principal purposes of the Geneva Agreement,

2. Considering that in spite of several agreements signed between the parties to give effect to the cease fire the Commission continues to receive several complaints of breaches of the cease fire,

3. Considering that on 11 October 1955 the parties signed an agreement in Rangoon providing for effective cease fire and separation of the Forces and that in spite of this agreement no effective steps have yet been taken to achieve either of these 2 objectives, recommend

(1) that neither party should take any action which might disturb the cease fire in the 2 northern provinces and that any infringement in this respect will be a grave violation of the Geneva Agreement for which the delinquent party must be held responsible for all the consequences;

(2) that both parties cease all hostile activities towards each other;

(3) that the Military Committee of the International Commission, in cooperation and close consultation with the military delegations of the two parties at Vientiane, will draw up demarcation lines separating the two forces in an effective manner;

(4) that the work of the Military Committee, referred to in paragraph (3) above, should be completed by the 30 November, 1955 at the latest;

(5) that the parties concerned will render to the Military Committee full assistance and cooperation for the fulfilment of its task;

(6) that the Military Committee should report to the International Commission from time to time the progress made, and

(7) that the parties should indicate their acceptance of this resolution not later than 15 November, 1955.

[P.] BRIDLE

688.

DEA/50052-B-40

*Le commissaire de la Commission internationale de surveillance
pour le Laos
au secrétaire d'État aux Affaires extérieures
Commissioner, International Supervisory Commission for Laos,
to Secretary of State for External Affairs*

TELEGRAM 282

Vientiane, November 12, 1955

SECRET. IMMEDIATE.

Reference: Our Telegram No. 281 of November 12.

Repeat New Delhi No. 184.

OBSERVANCE OF CEASE-FIRE AGREEMENT

1. Yesterday the Chairman gave me the draft of a resolution on the above subject which he hopes to introduce at an early date. The draft is in my telegram under reference. He said he feels the Commission should now make formal recommendations to the parties because of a potentially dangerous military situation. Moreover, he is dissatisfied with the lack of progress in implementing the cease-fire agreement signed in Rangoon, particularly with respect to a demilitarized zone.

2. I said that I would want to give careful consideration to the terms of the proposed resolution, and that I expected we would have modifications to propose. We face two main difficulties with respect to this resolution. First, the PL delegation to the military talks takes the position that the delineation of a neutral zone should simply complete what was worked out before Rangoon, whereas the LNA are prepared to accept only part of this and are making substantial new demands (see our telegrams No. 280† and No. 269† of November 12 and 5). The second difficulty is that the remedy proposed in the draft is the drawing up of demarcation lines by the Military Committee meant to be binding on the parties. This raises the problem discussed in your telegram No. Y-170† of October 6. As indicated in our reply No. 248† of October 21, I do not feel that we can now (group corrupt) the decision to establish a neutral zone and indeed must support its implementation; at the same time, we are again faced with the question of how positively the Commission should act.

3. I propose to suggest to the Chairman that operative paragraph 3 be modified to provide for the Military Committee drawing up demarcation lines to be put as a proposal to the parties. I realize that even this would be open to the objection raised in your Y-170 but, since the Military Committee has proceeded in this manner in the past, it would be difficult to renege from our previous support of this procedure.

4. I will also suggest

(a) deletion of the latter part of the first recommendation beginning at the words "and that any infringement" and the introduction at the end of the second part of the preamble of the words "which if true constitute serious violation of the Geneva Agreement".

(b) Rewriting of the third part of the preamble as follows "considering that on October 11, 1955 the parties signed an agreement in Rangoon providing, for, amongst other things, the separation of the Forces designed to facilitate an effective cease-fire and that, in spite of this agreement, no effective steps have yet been taken to achieve this objective" and

(c) Deletion of operation paragraph 6 and substituting of "International Commission" for "Military Committee" where appropriate.

5. I very much doubt if the Military Committee could be persuaded, under present circumstances, to take the line suggested in the latter part of paragraph 3 of your Y-170. We have, however, made the point in recent discussions that it was assumed by all concerned in the Commission, when the military settlement was being negotiated, that it was designed to facilitate a political settlement which would make the need for a neutral zone gradually disappear. I will take this line, when opportunity offers in the Commission and attempt to have the following added to operative paragraph 3 "pending political settlement as envisaged in the Geneva Agreement". At the same time, it was necessary for us to avoid giving any encouragement to the RLG in what we believe may be their intention to abrogate the Rangoon Agreement.

6. When I called on the Defence Minister on November 10 I received only limited satisfaction with respect to RLG intentions. He said that the RLG would respect the cease-fire though they would defend themselves if attacked; that the RLG certainly had no desire for hostilities during the elections; and that they would declare the Pathet Lao rebels only if they did not get satisfaction from the Geneva parties. He gave me no clear indication that the RLG intend to implement the demarcation line, or that they do not intend to abrogate the Rangoon agreement.

7. I will see the Defence Minister privately as soon as possible in order to ascertain likely RLG reactions to proposed resolution.

[P.] BRIDLE

689.

DEA/50052-B-40

*Le commissaire de la Commission internationale de surveillance
pour le Laos
au secrétaire d'État aux Affaires extérieures
Commissioner, International Supervisory Commission for Laos,
to Secretary of State for External Affairs*

TELEGRAM 283

Vientiane, November 13, 1955

SECRET. IMMEDIATE.

Reference: My No. 278 of November 11, 1955.

Repeat New Delhi No. 185; Hanoi, Phnom Penh.

DRAFT OF REVISED RESOLUTION ON RESTORATION
OF ROYAL ADMINISTRATION

Following is working text of revised resolution: "The International Commission for Supervision and Control in Laos,

1. Considering that the sovereignty, the independence, the unity and the territorial integrity of Laos were recognized in the Geneva settlement;

2. Considering that, as the International Commission informed the Prime Minister of the Royal Laotian Government in a letter dated June 15, 1955, such recognition involves the right of the Royal Laotian Government to the administration of the two northern provinces of Phong Saly and Sam Neua;

3. Considering that the exercise of this right could not be effective in the circumstances prevailing in the two northern provinces and that the parties were asked to enter into negotiations with a view to making the political settlement envisaged in article 14 of the Geneva Agreement on Laos;

4. Considering that these negotiations have not yet led to an agreement;

5. Considering that general elections are to be held in Laos on December 25, next;

6. Considering that without the Royal Laotian Government's administration in the two northern provinces it would be impossible to hold valid elections throughout the country on that date;

7. Considering that restriction of the area in which general elections are held to a part only of the country would gravely impair the unity and territorial integrity of Laos, and would be furthermore, likely to impede the attainment of a political settlement conforming to the above pattern of the Geneva Agreement;

8. Recommends:

(a) That the Royal Administration should be re-established forthwith in the two provinces of Phong Saly and Sam Neua;

(b) That with this end in view, the Royal Laotian Government should make, and the fighting units of the Pathet Lao accept, within seven days from the passage of this resolution, sufficient administrative changes in these two provinces to enable the Royal Laotian Government to undertake measures necessary to conduct the general elections there;

(c) That immediately thereafter the Royal Laotian Government should, bearing in mind the terms of their unilateral declaration at Geneva of July 21, 1954.

(i) Submit to the National Assembly, and use their best endeavours to obtain the latter's agreement to, measures enabling the Pathet Lao to participate in the general elections on December 25 next;

(ii) Enter into discussions with the fighting units of Pathet Lao for the hand over of the rest of the administrative structure in the two northern provinces for the re-integration of the fighting units of Pathet Lao as soon as possible into the national community.

(d) That the Royal Laotian Government and the fighting units of Pathet Lao should inform the International Commission for Supervision and Control, Laos, within four days of the passage of this resolution whether they agree to put these recommendations into effect, and that failure to reply within the time limit should be considered as a refusal within the meaning of article 36 of the Geneva Agreement on Laos."

{P.] BRIDLE

690.

DEA/50052-B-40

*Le commissaire de la Commission internationale de surveillance
pour le Laos
au secrétaire d'État aux Affaires extérieures*

*Commissioner, International Supervisory Commission for Laos,
to Secretary of State for External Affairs*

TELEGRAM 284

Vientiane, November 13, 1955

SECRET. IMMEDIATE.

Reference: My telegram No. 283 of November 13.

Repeat New Delhi No. 186; Hanoi, Phnom Penh.

COMMISSION ACTION

My telegram under reference contains the draft of the revised resolution on restoration as amended by Talbot. Sen and I agreed to it as a basis for discussion in this form and I have proposed the following further changes to him:

(a) First part of sub-paragraph three to be rewritten to read: "considering that in the same letter the International Commission expressed the opinion that, in view of the conditions prevailing in the two northern provinces, it would be difficult to establish the Royal Administration effectively, and that the parties etc. etc.";

(b) In sub-paragraph six the word "nationwide" to be substituted for "valid";

(c) In sub-paragraph seven the word "any" to be inserted before the word "restriction" and the words "to a part only of the country" to be deleted;

(d) The latter part of sub-paragraph eight (b) to be reworded to read: "to enable the Royal Laotian Government to undertake such measures as they deem necessary for conducting the general elections there";

(e) In sub-paragraph eight (c)(ii) the word "expeditious" to be inserted before the word "handover";

2 I wish to emphasize that I am not committed to this radical revision of the Mayrand resolution. It represents a revision of a general kind desired by Sen which, as you know, I had been firmly resisting. I was persuaded that, in something like its present form, it is worth our serious consideration because I have been impressed with the need, at this eleventh hour, for the Commission to place the issue before the co-Chairmen in a way which might provide them with a workable basis for possible breaking of the deadlock. I am inclined to think that the revised resolution meets this criterion and that it also could achieve the fundamental objective of the Mayrand resolution — to put the restoration issue squarely up to the Pathet Lao. Indeed, in this respect, it may be an improvement, in that Pathet Lao refusal to accept it would be the more blatant. Admittedly the resolution is in the nature of a compromise between the Mayrand resolution and the Sen plan. However, Sen has accepted it to a degree that he never would have accepted the Mayrand resolution, except possibly under duress, (for?) I believe he will probably do his best to convince his government that the resolution should be passed instead of the Sen plan. In my presence this morning he wrote "dead" over the face of the plan.

3. The touchstone will be the RLG attitude. This is linked to the question of Commission action on the letters from the RLG. The Commission did not meet yesterday but will meet November 15 when the letters will be formally considered. Talbot, who has sent full texts in French to Foreign Office, rather hopes (subject to Foreign Office views) that letters might not go forward separately from fuller report from Commission. Sen says he is indifferent on this point. I think it important that the Commission should satisfy the RLG that it is taking its letters seriously and is prepared to act. Katay's letter asking that (his?) and the other letter be forwarded came as a complete surprise to us as well as to Sen and to Yost. While RLG clearly desires that letters be forwarded now, Talbot thinks they might be prepared to have them go forward as part of fuller Commission report if they were satisfied that Commission was paying appropriate additional step. After consulting with Talbot, and unofficially with Sen, I have tentatively decided to go to Pakse to see Katay, if and when it appears opportune, to ask him if, in the light of the proposed resolution, he would be prepared to leave his letters to go forward later. In doing so I would privately seek his reactions to the resolution.

4. I have stressed to Sen that, in agreeing to recommend the revised resolution to you, I have given way very considerably and that in his discussion with Zambrowicz, he must keep in mind that I cannot give up much more to assist him in achieving his desired unanimity. Two points remain unclear — whether Delhi will approve and whether Sen will stay with the resolution if he fails to carry Zambrowicz.

5. Talbot undoubtedly has some reasons of his own for favouring the revised resolution for it fits the Foreign Office interest in a workable report to the co-Chairmen which might prevent the situation from hardening beyond repair. I think I can fairly say, however, that he is genuinely convinced that it is the best available course. I have no doubt if his government gave its agreement at the appropriate time, he would do his utmost to persuade the RLG to accept.

6. Sen seems to attach great importance to the “cease fire” resolution (our telegram No. 282 of November 12†) and, I believe, would be most unwilling to see one passed without the other.

7. I would be most grateful for your earliest advice as to what course you would wish me to pursue in the light of paragraphs 3(b) and 6 of Mr. Reid’s telegram No. 773 of November 9.⁶⁹

[P.] BRIDLE

691.

DEA/50052-B-40

*Le secrétaire d’État aux Affaires extérieures
au commissaire de la Commission internationale de surveillance
pour le Laos*

*Secretary of State for External Affairs
to Commissioner, International Supervisory Commission for Laos*

TELEGRAM Y-214

Ottawa, November 18, 1955

SECRET. IMMEDIATE.

Repeat New Delhi Y-775; Paris Y-757; Washington Y-1951; London Y-1895.

The negotiations for a political settlement which have taken place during past six months between Royal Laotian Government and Pathet Lao representatives have covered subjects outside the competence of the International Supervisory Commission under the terms of the Agreement on the Cessation of Hostilities. For this reason the Commission has quite properly not insisted on taking a part in these talks but has been content to be kept informed and to be available for good offices.

2. A good part of the talks was about the conditions for PL participation in the national elections. This subject is outside the scope of the Agreement on Cessation of Hostilities and pertains to the declaration of the RLG whose sovereignty in this field was clearly recognized by the Geneva Conference Powers in the Final Declaration.

3. The fact that the RLG was discussing with the PL conditions for their participation as a national party in the general elections has, in our opinion, led to a mistaken acceptance by some people of the PL claim to a right under the Agreement on Cessation of Hostilities (which it is the Commission’s business to supervise and interpret) or under the RLG’s

⁶⁹ Voir/See Document 634.

declaration and final declaration to recognition as an equal party with the RLG. To accept this claim would be to make a mockery of RLG sovereignty and to give the PL the power to hold the national affairs of Laos at a standstill until they get what they want in the political settlement.

4. We are not prepared to authorize you to support any Commission recommendation in regard to the procedure for holding elections. Our view of the Commission's competence in regard to elections was clearly stated in paragraph 3 of our telegram No. 168 of September 28. Such latitude as we are able to give you in the application of this view of the Commission's competence was outlined in paragraph 5 of our telegram No. 171 of October 5,† paragraph 3 of our telegram No. 193 of October 28 and paragraphs 3(a) and 4 of our telegram No. 200 of November 4.†

5. We are opposed on political as well as legal grounds to going beyond this. If the Commission assumes competence in this field, it would then be an easy step to declaring that the December 25 elections are not those envisaged in the RLG's declaration at Geneva. It is not up to the Commission to interpret this declaration. This is the responsibility of the RLG and the Geneva Conference Powers who noted it in their Final Declaration.

6. This precludes your associating yourself with the chapter of the Sen plan on elections as a formal Commission recommendation as mentioned in paragraph 4 of your telegram No. 278 of November 11. It also precludes your associating yourself with recommendation in paragraph 8(c) of your telegram No. 283 of November 13. We could only accept such a sub-paragraph as an "understanding" of what the RLG has clearly stated that it is prepared to do and not, repeat not, as a "recommendation". It would also preclude acceptance of any proposal regarding the holding of fresh elections later in the event of a settlement as suggested in the Delhi outline of a possible resolution mentioned in your telegram No. 287 of November 14.†

7. This does not mean that we have given up hope of a political settlement. It does mean that we are firmly opposed to the Commission exceeding its competence by making recommendations in regard to the elections which fall within the sovereign competence of the RLG. We are not prepared to interfere with the Government's decision, which conforms with paragraph 3 of the Final Declaration, to hold general elections before the end of this year.

8. We would like to see the Commission's action in the present impasse directed constructively toward further efforts to achieve a political settlement. But in doing so the Commission should not exceed its terms of reference. Indeed we believe it can best assist in bringing about a settlement in line with that envisaged at Geneva by giving a proper legal interpretation of the agreement as a basis for resumption of negotiations.

9. We consider the responsibility of the Commission in relation to the political settlement to be twofold.

(a) *In national affairs* it is to supervise the undertakings in article 15 regarding no reprisals or discrimination and guaranteeing democratic freedoms. This does not mean that Commission should recognize FUPPL claims to bargaining rights as a National Political Party equal in status to Government itself. Position should not be out of line with article 6 of Cambodian agreement and article 14(c) of Vietnam agreement.

(b) *In Phong Saly and Sam Neua* to see to proper implementation of articles 14 and 19 pending a political settlement. The Commission is concerned with stopping hostilities. It is also concerned with preventing the PL from misusing Articles 14 and 19 to give them a veto over political settlement and to prevent restoration of Royal Administration. In discharging these responsibilities Commission could go some piece in formal recommenda-

tions to parties and supervising stage by stage related pieces of settlement plan including (i) cease fire; (ii) restoration of Royal Administration; (iii) military settlement; and (iv) closer supervision of elections in two provinces (because of concentration of persons to be protected under article 15) than would be warranted in rest of country.

10. The Commission must respect RLG sovereignty except where the cease fire agreement gives it authority to intervene. In general this means on civil side keeping out of broad area of national affairs, such as elections, except in supervision of article 15.

11. From the foregoing you will see that we consider that the Government's discussion of a basis for PL participation as a national party in the general elections lies within the area of sovereign authority of the Government. We have seen nothing in the reports of these discussions to indicate that the Government contemplated infringing article 15. Indeed they offered to go a good deal further than required in special concessions to the PL. We think that the Government is fully justified if it wishes to take the position now that (a) it is too late for the PL to qualify as a national political party in these elections and (b) there is insufficient time before the opening of the political campaign for the Royal Administration to be effectively restored in the two northern provinces. We are not prepared to support at this late date a last minute effort to reach a settlement on the old basis unless you have it in writing from the Prime Minister that he would accept such a Commission initiative.

12. If you are informed that the Government will accept the sort of resolution aimed at a last minute settlement outlined in your telegram No. 283 as amended by your No. 284 both of November 13, then we agree to your supporting this if paragraph 8(c) is taken out of the "recommendations" and placed under a new heading entitled "understand[ing]s".

13. If Government acceptance is not clearly indicated we wish you to go back to a simple resolution of principle reaffirming the Government's right to re-establish its administration in the two northern provinces and calling on the Pathet Lao to accept this promptly. We could accept something along the lines of the resolution outlined in your telegram 283 of November 13, amended by your 284 with the following further amendments:

- (a) In paragraph six delete the word "nationwide" before "elections";
- (b) In paragraph 8(b) delete the words "within seven days from the passage of this resolution" and substitute the words "before the end of 1955"; and delete the words "conducting the general elections there" and substitute "effectively restore their administrative control";
- (c) In paragraph 8(d) we think 4 days might be extended to 7 days;
- (d) Delete paragraph 8(c) from the "recommendations" and insert a new paragraph between 7 and 8 reading

"Considering that in their unilateral declaration at Geneva of July 21, 1954 the RLG affirmed that all citizens may freely participate as electors or candidates in general elections by secret ballot."

If RLG is prepared to hold delayed elections in two northern provinces if PL will accept prompt restoration, then you could insert an additional paragraph before 8 saying:

"Understands that the RLG will use their best endeavours to obtain the National Assembly's agreement to measures enabling members and former members of the FULP to participate in elections which will be held in the two northern provinces 90 days after the effective restoration of the Royal Administration there."

14. We think that it will be necessary for you to take a strong stand even if you cannot carry your Indian and Polish colleagues with you. We consider that the RLG is entitled to our support and that it is important that we at least should put on the record our interpreta-

tion of the agreement and recognize the efforts made by the RLG to seek agreement. Friendly governments expect us to introduce a Mayrand type resolution and we must do this for the record at least. If it is not passed you should ensure that our views are conveyed in the letter transmitting the RLG letters, even if it is necessary to record a minority viewpoint.

[L.B.] PEARSON

692.

DEA/50052-B-40

*Le secrétaire d'État aux Affaires extérieures
au haut-commissaire au Royaume-Uni*

*Secretary of State for External Affairs
to High Commissioner in United Kingdom*

TELEGRAM Y-1910

Ottawa, November 21, 1955

SECRET. IMPORTANT.

Reference: My immediately preceding telegram No. Y-1909.†
Repeat Washington Y-1973; Paris Y-763; New Delhi Y-778; Vientiane Y-218.

DRAFT SIMPLE RESOLUTION ON RESTORATION OF ROYAL ADMINISTRATION
IN LAOS

The following working text is based on Vientiane telegram No. 283 amended by telegram No. 284 both of November 13, with the further amendments contained in paragraph 13 of Ottawa telegram No. Y-214 of November 18 to Vientiane.

The International Commission for Supervision and Control in Laos,

1. Considering that the sovereignty, the independence, the unity and the territorial integrity of Laos were recognized in the Geneva settlement;
2. Considering that, as the International Commission informed the Prime Minister of the Royal Laotian Government in a letter dated June 15, 1955, such recognition involves the right of the Royal Laotian Government to the administration of the two northern provinces of Phong Saly and Sam Neua;
3. Considering that in the same letter the International Commission expressed the opinion that in view of the conditions prevailing in the two northern provinces it would be difficult to establish the Royal Administration effectively, and that the parties were asked to enter into negotiations with a view to making the political settlement envisaged in article 14 of the Geneva Agreement on Laos;
4. Considering that these negotiations have not yet led to an agreement;
5. Considering that general elections are to be held in Laos on December 25, next;
6. Considering that without the Royal Laotian Government's administration in the two northern provinces it would be impossible to hold elections throughout the country on that date;
7. Considering that any restriction of the area in which general elections are held would gravely impair the unity and territorial integrity of Laos, and would be furthermore, likely to impede the attainment of a political settlement conforming to the above pattern of the Geneva Agreement;

8. Considering that in their unilateral declaration at Geneva of July 21, 1954 the RLG affirmed that all citizens may freely participate as electors or candidates in general elections by secret ballot.

9. *Optional*

(If RLG is prepared to hold delayed elections in two northern provinces if PL will accept prompt restoration, an additional paragraph could be inserted saying):

Understands that the RLG will use their best endeavours to obtain the National Assembly's agreement to measures enabling members and former members of the FUPL to participate in elections which will be held in the two northern provinces 90 days after the effective restoration of the Royal Administration there.

10. Recommends:

(a) That the Royal Administration should be re-established forthwith in the two provinces of Phong Saly and Sam Neua;

(b) That with this end in view, the Royal Laotian Government should make, and the fighting units of the Pathet Lao accept, before the end of 1955 sufficient administrative changes in these two provinces to enable the Royal Laotian Government to undertake measures necessary to effectively restore their administrative control;

(c) That the Royal Laotian Government should enter into discussions with the fighting units of Pathet Lao for the hand over of the rest of the administrative structure in the two northern provinces and for the re-integration of the fighting units of Pathet Lao as soon as possible into the national community.

(d) That the Royal Laotian Government and the fighting units of Pathet Lao should inform the International Commission for Supervision and Control, Laos, within seven days of the passage of this resolution whether they agree to put these recommendations into effect, and that failure to reply within the time limit should be considered as a refusal within the meaning of Article 36 of the Geneva Agreement on Laos.

693.

DEA/50052-B-40

*Le secrétaire d'État aux Affaires extérieures
au commissaire de la Commission internationale de surveillance
pour le Laos*

*Secretary of State for External Affairs
to Commissioner, International Supervisory Commission for Laos*

TELEGRAM Y-221

Ottawa, November 24, 1955

SECRET. IMMEDIATE.

Reference: Your telegrams 281 and 282 of November 12.

Repeat London Y-1922; Paris Y-768; Washington Y-1988; New Delhi Y-783.

INDIAN CEASE-FIRE RESOLUTION

If as we said in paragraph 9(b) of our telegram No. Y-214 of November 18 the Commission is concerned with stopping hostilities, it is also concerned with preventing the PL from misusing articles 14 and 19 to give them a veto over a political settlement and to prevent restoration. There is therefore in our mind a clear relationship, under the terms of

the cease-fire agreement itself, between the military and political settlements so that the former cannot be considered except within the broader context of the latter.

2. From our point of view, it is a minimum requirement that this relationship be reflected in both the preamble and the operative section of any cease-fire resolution before we can associate ourselves with it. You should therefore insist that the words "pending a political settlement as envisaged in the Geneva Agreement" be added to part 1 of the preamble as well as to operative paragraph 3.

3. Under the agreement on cessation of hostilities the RLG's legal grounds for keeping forces in the northern provinces is that they already had troops there on August 6, 1954. We are concerned lest the cease-fire resolution change these grounds and become the only foundation of the RLG's right to have troops in the two provinces and then only in the area delimited by the demarcation line. In view of PL attitude (cf. paragraph 2c of your 293 of November 16†) the implications of this change should be carefully considered and the undesirable effects limited at least by relating the resolution firmly to the agreement.

4. Especially at this late stage it seems to us that a cease-fire resolution should also be related to the general problem of the military settlement and integration of the Pathet Lao into the national community, which problem has its military as well as its political aspect as a consequence of Article 14 which separates the forces while not providing for the immediate demobilization of the PL as the Cambodia Agreement does for the ex-KRF. You should try to obtain a reference to this in the form of an additional operative paragraph to the effect that the parties will work out the application of this resolution bearing in mind the problem of the eventual military and political settlement envisaged in Article 14. You might also suggest that this question should be discussed by the parties with the assistance of the Military Committee so that plans will be evolved when the political settlement is reached.

5. The drawing-up of demarcation lines by the Military Committee raises the question put in our Y-170 of October 4† about the degree of commission authority which would uphold the cease fire and for what length of time. In the case of the Muong Peun incident, we note that the Commission at its meeting of July 21st authorized the Military Committee to make suggestions only and not formal recommendations to the parties. Presumably the Commission had in mind the ineffectualness of the Indian demarcation resolution of last spring. As it is this procedure which was at the origin of and was maintained throughout the long series of talks between the parties and the Military Committee since July, we would like to see it maintained even now, in the sense that the resolution should make provision for continued supervision by the Military Committee under whose auspices periodic reviews of the situation should be made by the parties in the light of developments, as we suggested at the end of paragraph 3 of our Y-170. Operative paragraph 4 would thus have to be modified accordingly.

6. Finally, we think that this resolution offers a good opportunity for re-opening the question of team operations in the two northern provinces, especially in Sam Neua, on the grounds that, if the cease fire lasts beyond the time envisaged in the Geneva Agreement as the result of failure to reach a political settlement, it becomes more important for the Commission to have teams operating on the Laos-North Vietnam Frontier not only to prevent illegal imports of arms but also to prevent the implied acceptance of a de facto partition and of the attachment of the northern provinces to North Vietnam.

7. Although you may not be able to get commission support for all these proposals we think that they should be put forward formally in order to emphasize the view outlined in paragraph one.

694.

DEA/50052-B-40

*Le commissaire de la Commission internationale de surveillance
pour le Laos
au secrétaire d'État aux Affaires extérieures
Commissioner, International Supervisory Commission for Laos,
to Secretary of State for External Affairs*

TELEGRAM 315

Vientiane, November 29, 1955

SECRET. IMMEDIATE.

Reference: Your telegrams Y-214 and Y-218 of November 21 and 24.

DRAFT SIMPLE RESTORATION RESOLUTION
AND POSSIBLE COMMISSION ACTION

Katay did not return to Vientiane as expected on November 25. Consequently was unable to discuss with him the question of understanding on elections envisaged in my telegram 283 as modified by para six of your Y-214. I now feel quite certain, however, that the RLG would not give the required undertaking and I regard this draft as dead.

2. On November 25 I gave Sen informally a draft resolution drawn up by me in the light of your Y-214. The draft which is contained in immediately following telegram makes no reference to elections and is, in effect, a simple restoration resolution. I regard it as a minimum and am awaiting Sen's reactions. All he has told me so far is that he would like to include something like the declaration in 4(iv) of the draft in my telegram 305 of November 23.† He points to the Laotian Declaration and the Final Declaration.

3. Commission action will be unavoidably delayed by three-day visit of Commissioners to Luang Prabang to pay formal respects to Crown Prince. We leave this morning. I have arranged to see Katay in Pakse on December 1st and will discuss with him the proposal outlined in last part of paragraph 13 of your Y-214. I may also very informally seek his views on a possibility the Acting Prime Minister mentioned to Sen, that after December 25 elections it might still be open to Pathet Lao candidates to run for (a further district ?) which may possibly be set up to provide additional deputies now said to be required because of an increase in number of electors.

4. As instructed, I aim to introduce a resolution along the lines outlined in your Y-218 even if it seems certain to be defeated. Talbot has shown me several recent Foreign Office telegrams including one which I assume you have seen which outlines four possible courses of action in order of United Kingdom preference. I am working for alternative (1), a Commission resolution calling for restoration within a seven (day ?) limit, which is also your first preference. I am taking a stiff line. Such a resolution adopted by the Indians would clearly be best from the Laotian point of view and also, because of Article 36 from that of Vietnam. From recent conversation with Sen I have the impression that Indian tactics are to try for agreed resolution with us which would meet their aims in Laos. Nevertheless and even if Katay is agreeable to delaying election in north Sen and I may be so far apart that he may feel himself obliged to vote against our simple resolution. Clearly, alternative (2) in the U.K. list would be no more appealing to him than (1); (2) would certainly be (feasible ?) but is not very attractive to us.

5. In these circumstances, and in view of possibility that Sen if he loses hope of agreement with me might introduce an Indian resolution which he might try to make acceptable

to the Pole, you might wish to consider whether I should have latitude to *settle for* a report of the kind envisaged in U.K. alternative (3) which reads: "Reference to co-Chairmen with a clear majority view expressed by Commission that it is the Pathet Lao who have prevented a settlement" I am inclined to think this alternative might appeal to Indians failing an agreed resolution with us, since they may hope that it would make a linking of Vietnam and Laos easier.

6. In favour of giving me this latitude is the risk that, if alternative (1) proves impracticable (as I am inclined to think) then the chances of reaching agreement on alternative (3) would be lessened if we pressed our simple resolution to the point where it was expressly repudiated by the Indians. The disadvantages are: (a) that we would fail to introduce or rather to move a "Mayrand-type" resolution for the record; (b) that we run the risk of Sen trying to water down the report envisaged in alternative (3). To offset this latter risk we have Sen's statement to both Talbot and me that he would collaborate in and associate himself with a report which did not shrink from making the Pathet Lao attitude abundantly clear. I have instinctive misgivings about such a statement but, nevertheless we should not rule out a straight report as a possible course of action. This could — and should — include comments on RLG and PL letters.

7. Reverting to simple resolution, if the RLG would not agree to delayed elections in the North on the conditions outlined, you may wish to consider the possibility of deleting not only paragraph 9 but also paragraphs 5 to 8 inclusive from the draft in your 118, or (group corrupt) of modifying them without any substantial reference to elections these paragraphs as they stand may be somewhat out of place.

8. I entirely agree with the attitude which seems implicit in your telegrams on the question of the December 25 elections constituting the political settlement envisaged by the Geneva Agreement and I was surprised to learn that it is the Foreign Office view that these elections do constitute such a settlement. As I have previously indicated I believe the RLG would be wise at this stage to take no decision and to make no announcement on this question, while maintaining the correctness of their present actions. I also think that even if we should form the same opinion as the Foreign Office it might be better for us not to state it *at this time* to the RLG or the Indians. Clearly, we cannot accept the latter's extreme view but I think there is still some real value in doing what we can to keep the door open a little in case there might ultimately be some possibility of the provinces being restored. All the signs point toward indefinite partition but at the present time there may be merit in our at least going no further than the RLG in the political settlement question.

[P.] BRIDLE

695.

DEA/50052-B-40

*Le commissaire de la Commission internationale de surveillance
pour le Laos
au secrétaire d'État aux Affaires extérieures*

*Commissioner, International Supervisory Commission for Laos,
to Secretary of State for External Affairs*

TELEGRAM 316

Vientiane, November 29, 1955

SECRET. IMMEDIATE.

Reference: My immediately preceding telegram.

DRAFT SIMPLE RESOLUTION

Draft resolution referred to in paragraph 2 of my telegram under reference follows essentially along lines of text contained in your telegram No. 218 of November 21, with following modifications:

(1) Delete paragraphs 5 to 9 inclusive of the preamble and substitute new paragraph from as follows: "considering that, unless the Royal Administration is effectively restored without further delay, the unity and territorial integrity of Laos would be gravely impaired and the attainment of a political settlement conforming to the basic pattern of the Geneva Agreement would be impeded";

(2) Amend operative part to read: "it recommends (a) that the Royal Administration should be re-established forthwith in the 2 provinces of Phong Saly and Sam Neua; (b) that with this end in view, the Royal Laotian Government should make, and the fighting units of the Pathet Lao accept, before the end of 1955, administrative changes in these two provinces which would enable the Royal Laotian Government to effectively restore their administrative control; (c) that the Royal Laotian Government and the fighting forces of Pathet Lao should inform the International Commission for Supervision and Control, Laos, within 7 days of the passage of this resolution whether they agree to put these recommendations into effect, that failure to reply within this time limit should be considered as a refusal within the meaning of Article 36 of the Geneva Agreement on Laos."

2. We have made these modifications on tactical grounds in order to give ourselves some room for manoeuvring and in hope that by putting forward stiff wording now we may, in subsequent discussion, be able to persuade Sen to accept a text close to that of your telegram No. 218.

696.

DEA/50052-B-40

*Le commissaire de la Commission internationale de surveillance
pour le Laos
au secrétaire d'État aux Affaires extérieures*

*Commissioner, International Supervisory Commission for Laos,
to Secretary of State for External Affairs*

TELEGRAM 322

Vientiane, December 3, 1955

SECRET. IMMEDIATE.

Reference: Your telegrams Y-225† and 226† of November 29 and my telegram 315† of November 28.

COMMISSION ACTION

Immediately after returning from Luang Prabang where I had a useful talk with the Crown Prince, I flew to Pakse to see Katay taking Langley with me. We returned yesterday. My main object was to ascertain if Katay would be agreeable to insertion in a resolution of something along the lines of paragraph 9 of your telegram 218. He spoke himself of the plan to hold supplementary elections mentioned in paragraph 3 of my telegram 315. He said that about fifteen new deputies might be so elected. He also spoke of the possibility of "new elections" in the northern provinces in the event of restoration but made it clear that deputies to be elected from these provinces in present elections would remain seated. After consulting with Talbot I feel that something along the lines of the sub-paragraph contained

in my following paragraph is the most it would be safe to include in the resolution. I also suggest some changes in sub-paragraph 4-8 in your telegram Y-218.

2. My proposal is that sub-paragraph 4-9 of the draft resolution might be replaced by the following:

“(4) Considering that these negotiations have not yet led to an agreement and that the FULP are not participating in the general elections which are to be held on Laos on Dec 25 next;

(5) Understanding that the Royal Laotian Government will use its best endeavours to obtain the National Assembly’s agreement to measures enabling members of the FULP to participate in complementary elections which may be held throughout Laos (including the two northern provinces) (if such?) elections are held after the effective restoration of the Royal Administration in those provinces;

(6) Considering that, unless the Royal Administration is effectively restored without further delay the unity and territorial integrity of Laos would be gravely imperiled and the attainment of a political settlement conforming to the basic patterns of the Geneva Agreement would be impeded”. On the basis of our conversation with Katay I also suggest deletion of the words “to undertake measures necessary” from sub-paragraph (b) of the recommendations and deletion of the words “for handover of the restoration of the administrative structure in the two northern provinces and” from sub-paragraph (c). Katay said that there is no mention of “administrative cadres” in the “Geneva Agreement” and clearly would like to have relevant part of (c) deleted. I think the other deletion is needed as a consequential change. I asked Katay if the Government would still stand by the moitié moitié formula. He said (group corrupt) the suggested changes would not disturb the existing assumption underlying sub-paragraph (c) that this is the case.

3. The main object of the (group corrupt) changes would be to bring the draft more closely in line with RLG (thinking?) and to adapt it more closely to meaning of the new (group corrupt) paragraph containing the understanding on elections. To a greater extent than the existing draft it subordinates the question of elections to the need for restoration, I think this is desirable because the existing draft still retains something of the flavour of the earlier resolution which contemplated the possibility of the Pathet Lao participating in the present general elections. With my proposed revisions the draft would go somewhat farther in the direction of leaving open the possibility of the present elections being regarded as the political settlement; I would be prepared to bargain back to something nearer your draft, if necessary, to accommodate Sen but it might be as well for present to preserve the language of paragraph one (1) of my telegram 316 as opposed to the language of sub-paragraph 7 of your Y-218.

4. I have told Sen that I am working on the draft I have given him (which you will recall from my telegram 316 is a limited restoration-type resolution) to see if I can reflect something on elections based on my conversation with Katay. He is working up his own ideas and seems a little hopeful that we may be able to agree on a text; in view of his basic instructions and because of his apparent desire to include a provision on elections which would imply the possibility of the RLG being prepared to do a great deal more than they likely would, I am much less sanguine nor at this moment can I quite envisage a resolution of principle such as that suggested in paragraph 6(b) of your Y-225 which Sen and I could both support. I would be grateful for any further guidance you can give me regarding the sort of resolution you have in mind.

5. I am anxious to introduce our draft resolution in the commission as soon as possible but fear I should await your reactions to the revisions proposed in this telegram. In the

meantime I intend to continue my discussions with Sen with the object of seeing whether or not we can reach agreement on a text. This should not preclude me from introducing our own resolution at the appropriate time and I would be grateful if you would do your best to put me in a position to do so by the middle of next week.

[P.] BRIDLE

697.

DEA/50052-B-40

*Le secrétaire d'État aux Affaires extérieures
au haut-commissaire au Royaume-Uni*

*Secretary of State for External Affairs
to High Commissioner in United Kingdom*

TELEGRAM Y-1958

Ottawa, December 5, 1955

SECRET. IMPORTANT.

Repeat Washington Y-2048; Paris Y-785; New Delhi Y-801; Vientiane Y-232 (Immediate).

LAOS: POLITICAL OBJECTIVES

With the breakdown of the talks seeking a political settlement and with the Government determined to go forward with holding general elections in the areas it controls on December 25 it has become increasingly necessary to fix broad political objectives in Laos and to view these against the general settlement for Indochina envisaged at the Geneva Conference in July, 1954.

2. We have taken the position in all three States that the Commission Governments were only invited to take part in supervising the implementation of the Agreements on Cessation of Hostilities. In Vietnam this has enabled us to take the line that the present Commission has no responsibility for pressing the competent representative authorities of the two zones to reach the political settlement outlined in paragraph 7 of the Final Declaration. This is the business of the Geneva Conference Powers. In Laos, on the other hand we have taken the line that the Commission is competent to take some part in pressing for a political settlement by insisting on a correct interpretation of Article 14 so as to prevent the Pathet Lao from misusing this to exercise an effective veto over any political settlement.

3. While we will continue to maintain that the Laos and Vietnam agreements are distinct and different in conception and that the position of the Pathet Lao is different from that of the Diem Government in South Vietnam, it is evident that at this stage the Communists and the Indians draw analogies between the two situations. Although we may maintain in law the differences between the situations in Laos and Vietnam, the Communists and the Indians in varying degrees look at the law in its broad political and even strategic setting.

4. Our object in Vietnam is to separate the Agreement on Cessation of Hostilities from the political settlement and to argue that the implementation and maintenance of the armistice is an important contribution in itself to peace and stability in the Far East. Unification of Vietnam, like that of Korea and Germany should be pursued by peaceful means.

5. The Indians favour drawing a line in Indochina between the Communist and non-Communist worlds but considered at the Geneva Conference that this would eventually be drawn between Laos and Cambodia on the one hand and a united Vietnam under Ho Chi Minh on the other. For this reason, although favouring stabilization and an eastern Locarno

arrangement, they have talked about withdrawing from the Vietnam Commission in two or three months rather than remain to protect the Diem Government in what they consider to be its wrongful opposition to the unification of Vietnam by the procedures of paragraph 7 of the Final Declaration.

6. If we think it desirable that the Commission should remain in Vietnam for some time yet as the symbol of the maintenance of the Armistice, then we will have to endeavour in the next two or three months to try to persuade the Indians to accept the distinction between the military and political settlements in Vietnam. And we should endeavour to demonstrate the broad advantages of maintaining the Armistice while pursuing unification by patient peaceful means.

7. If we are to take this line with the Indians in Vietnam we cannot be blind to or altogether unsympathetic toward their taking a somewhat similar attitude in Laos — that is seeking to separate the military from the political settlement. They now argue in Laos — although they have not accepted the full implications of the analogy for Vietnam — that the Commission's business is to sit on the cease-fire line and to help to achieve a political settlement by peaceful means.

5. With this analysis as background we have been examining the question of whether the Laotian Government could and should try to argue that the December 25 elections are the political settlement envisaged at Geneva. Following this there is the additional question, which falls clearly within the Commission's competence, as to whether the Fighting Units of the Pathet Lao will be entitled after December 25 to Commission support for their special sanctuary in Phong Saly and Sam Neua under Article 14 of the agreement on Cessation of Hostilities.

6. We have taken the position all along that elections are the sovereign responsibility of the Royal Laotian Government and that the Commission is not competent to make recommendations in this field except to ensure under Article 15 that there are no reprisals or discrimination against ex-members of the FUPL. We take the view that it is not up to the Commission to determine whether the December 25 elections are those envisaged in the RLG's unilateral declaration at Geneva. This is the responsibility of the RLG who can argue that it is acting in conformity with its declaration and the constitution. The Communist members of the Geneva Conference, which noted the RLG declaration in its Final Declaration, may argue that that is certainly not their interpretation and there may be no final resolution of the difference. We think it possible in a negative way to refute the PL allegation that the holding of elections without PL participation is a violation of the Geneva settlement. We would also argue that the Commission is not competent to recommend fresh elections as part of a settlement with the PL. In general, then, by arguing Commission incompetence in respect to elections we have protected the freedom of the RLG to go ahead with its elections and to defend its action in doing so but, having argued that the Commission is not competent to intervene in elections matters, except on Article 15 complaints, we must also take the line that the Commission is not competent to approve or disapprove the RLG's offers of electoral concessions to the PL in the political negotiations. All the Commission should do is say that Article 15 was not infringed.

7. We are concerned lest some members of the RLG, desiring to show themselves in the current political campaign to be zealous patriots, should make sweeping claims that, having made a sincere and sustained effort within the recognized time limit to reach a political settlement with the Pathet Lao, the Government will have discharged its responsibilities under the Geneva Agreement with the holding of general elections on December 25. They might declare the Pathet Lao outlaws and say that they have no more right to a special

position in Phong Saly and Sam Neua under Article 14. There may be some who think that an effort should be made to recover control of these provinces bit by bit by military means.

8. Such argumentation is understandable since the RLG has made a convincing effort to reach a settlement which we will try to get the Commission to recognize. They are also quite justified in not postponing general elections further.

9. However understandable, we see certain grave difficulties and possible repercussions if the RLG should adopt this attitude:

(a) The Indian and Polish members of the International Commission would certainly not accept such a line of argument by the RLG and would specifically recommend continuing observance of Articles 14 and 19.

(b) It would be unrealistic since the PL are in fact in military control of almost all of Phong Saly and Sam Neua. Any attempt to dislodge them by force would invite the risk of Vietminh intervention, which in turn might be brought before SEATO with the challenge of giving RLG support in a very difficult military campaign or losing face.

(c) A resumption of hostilities in Laos with Vietminh intervention would run the serious risk of upsetting the ceasefire in Vietnam.

(d) It would seriously impair future chances for resumption of negotiations between RLG and PL.

(e) RLG would lose Indian sympathy and Indians would probably be confirmed in their determination to withdraw from Vietnam and Laos Commissions.

10. In our view a certain amount of patience on the part of the RLG is called for in the face of fact of continuing PL military control of northern provinces and risks involved in trying to force the issue militarily. If they are not going to try to force the issue militarily, then they should avoid making statements which close the door on future negotiations and lead some to think of military action.

11. We have been thinking that in these circumstances following might be the wisest course of action:

(a) Canadian Commissioner would introduce into Commission our recently redrafted resolution with end-of-year time limit for restoration of Royal Administration in two northern provinces and seven-day time limit for acceptance or rejection by parties so that reference could be made to co-Chairmen under Article 36. This would put on record our view that PL should have come to agreement by end of year.

(b) If this resolution does not have Indian support (as now seems almost certain), our Commissioner should negotiate for strongest resolution showing RLG right to restore administration and if possible implying blame on PL for which he can get Indian support.

(c) In addition, Canadian Commissioner should endeavour to get as much more of our views written into report to co-Chairmen, even in a minority note if necessary provided that this does not undermine Indian support for (b).

(d) When Commission report is received, U.K. Foreign Secretary might try to make as much as possible out of it for a letter to Molotov urging PL acceptance of fair arrangements offered by RLG for their re-integration.

(e) RLG should go ahead with general elections ensuring that there are no grounds for justified complaint of discrimination under Article 15.

(f) Either now or after elections RLG should indicate willingness to resume negotiations with PL on narrower basis of settlement covering two northern provinces only as PL chance to secure recognition as a national political party in these elections will have passed.

(g) Commission would take the position that Articles 14 and 19 still stand and would seek to maintain the ceasefire "pending a political settlement".

10. In general our object should be to give proper legal interpretation to agreement and recognize RLG's efforts to reach settlement. We should respect RLG's sovereign rights. But we should not push matters to the point where there is a risk of resumed hostilities with Vietminh intervention or where Indians divide definitely from us. It is of great importance to maintain ceasefire agreements in Vietnam and Laos and Indian support for them even if this means that unification of Laos like the unification of Vietnam may be delayed through separation from the Armistice Agreement.

London, Washington and Paris: Please discuss this thesis with Governments to which you are accredited and let us have their views as soon as possible as further instructions to Canadian Commissioner in Laos await results of consultations.

Delhi: For your own information and comments at this stage.

Vientiane: For your provisional guidance pending further instructions.

[L.B.] PEARSON

698.

DEA/50052-B-40

*Le commissaire de la Commission internationale de surveillance
pour le Laos
au secrétaire d'État aux Affaires extérieures
Commissioner, International Supervisory Commission for Laos,
to Secretary of State for External Affairs*

TELEGRAM 329

Vientiane, December 9, 1955

SECRET. IMMEDIATE.

Reference: My telegram 322 of December 3 and your telegram Y-232 of December 5.
Repeat New Delhi No. 207.

COMMISSION ACTION

The guidance contained in your telegram under reference, which was received here yesterday, is most helpful.

2. With respect to the resolution which I am to introduce, I have concluded, on the basis our conversations with Sisouk since my earlier talk with Katay, that it would probably be safer not to allude in our resolution to the possibility of complementary elections throughout Laos. If Katay who was to return to Vientiane today, agrees, I will revert to a formula of the kind contained in your telegram Y-218 referring to northern provinces only. Subject to Katay view and your expected instructions the resolution would otherwise follow the lines outlined in my telegram under reference.

3. As reported in that telegram I have been acting in accordance with the tactical suggestions contained in your telegram Y-225 of November 29† and have made some progress toward working out as strong a resolution as I can with Sen. On December 5, having given him a simple restoration draft some days earlier, I gave him a draft of the type outlined in the preceding paragraph indicating that this was as far as I was prepared to go in the resolution I was to introduce. (This draft, of course, is essentially the same as that which I have been authorized to introduce). My present discussions with Sen are understood as personal

explorations and I have been careful not in any way to suggest that I have been authorized to move beyond the draft I have given him. He produced on a personal basis a draft he thought might be acceptable to his government and it was a distinct improvement over the draft which was reported in my telegram 305 of November 23† but contained several features I could not accept. I expect that by December 12 it will be apparent whether or not we can reach common ground on a draft resolution which we could submit to our governments as the basis upon which we would be prepared to settle after debate in the Commission. I shall do my best to postpone submission to Delhi and Ottawa until I receive your further instructions.

4. If Sen and I can agree on a draft he would like to show it to Zambrowicz before giving it to Delhi. (He told me that he has already shown him the latest draft which (underline) he (end underline) presented to me). He contends it would be necessary for him to report Polish reactions in order to get a considered view from his government. I have told him I would prefer Polish reactions to develop first in the Commission, but he states that to refer any compromise draft to Delhi as a draft discussed only with the Canadians would prejudice chances of acceptance from there. I may agree to his showing it to Zambrowicz on the understanding that I could accept no consequent watering down that [if] Zambrowicz would not support such a resolution he will not hesitate to advise his Government to disregard unanimity and to consider draft on its merits.

5. Particularly if I can succeed in having any specific reference to elections excluded from the compromise resolution, it might be desirable to delete from our own resolution the last part of sub-paragraph 4 and sub-paragraph 5 of paragraph 2 of my telegram under reference, thus making it a straight restoration resolution. Even if Sen succeeds in finding a formula on elections which we might accept in a compromise resolution, it might still be desirable for our own resolution to make no mention of elections so that I might more easily bargain toward a compromise in the Commission.

6. If your instructions would seem to permit, I will use my own judgement as to which type of restoration resolution I will introduce. I feel that our resolution must be introduced some time next week at the latest because it would be unrealistic to do so at a later date. It will also be important to have any resolution passed by the Commission adopted well before December 25. To allow time for debate our resolution should be introduced very soon.

7. I would be grateful for your present view as to whether or not I should press our own resolution to a vote (and presumably to defeat)

(a) in the event that it proves impossible to carry a compromise resolution acceptable to us or

(b) in the less likely event that the Indians might work out a resolution acceptable to the Pole but not to us.

8. We do not end up with a resolution which will provide a basis for a report to the co-Chairmen unequivocally under Article 36 do you have a strong preference as between (a) a letter to the co-Chairmen, commenting on the Royal Laotian Government and Pathet Lao letters and containing a clear expression of Canadian views, and (b) a straight report to the co-Chairmen (which might or might not take the form of the next interim report) containing these same comments and views.

[P.] BRIDLE

699.

DEA/50052-B-40

*Le commissaire de la Commission internationale de surveillance
pour le Laos
au secrétaire d'État aux Affaires extérieures
Commissioner, International Supervisory Commission for Laos,
to Secretary of State for External Affairs*

TELEGRAM 332

Vientiane, December 12, 1955

SECRET. IMPORTANT.

Reference: My telegram 329 of December 9.

Repeat New Delhi No. 208.

COMMISSION ACTION

I will introduce our restoration resolution on December 14 and make a suitable statement. The text of the resolution will be in a following telegram.⁷⁰

2. Sen and I have reached agreement on draft compromise resolution which we are submitting to Ottawa and Delhi for consideration. This resolution would be introduced by Sen following debate of ours. The text will probably reach you first through United Kingdom channels since our communications seem to have slowed down again. Sen and I have both taken Talbot into our confidence on the draft.

3. Sen says he will put the proposed compromise to his Government as the fairest basis he can mark out in the light of discussions here. He tells me that he has gone only some distance to meet Delhi's views which were briefly that it is impracticable simply to assert that the Royal Administration be restored, that the elections now being held should be without prejudice to future elections as part of political settlement that there must be further negotiations and that the whole situation should be reported to the Geneva powers. He believes it will be by no means easy to sell the draft in Delhi.

4. Sen will tell Delhi that I also consider the draft (as a?) compromise and he will explain the basis on which I am putting it to you. After talking to Zambrowicz he will inform Delhi of the Polish attitude. I expect he will also say that he hopes Delhi can accept the draft with an absolute minimum of change and that it may be possible for him to decide whether or not to support it in the Commission, with any modifications considered essential, without further reference to Delhi.

5. I hope that it may be possible for you also to consider the draft on this basis. I would have preferred to await the further instructions mentioned in your telegram Y-232 of December 5 but, because time is very short and because suspension of my discussions with Sen would have had an undesirable effect, I have decided to go ahead and let Sen do the same, as you know, I have been careful not to suggest to Sen that I have authority to go beyond the terms of our own draft resolution as outlined in your telegram Y-218. If, in the light of your further instructions, there would seem to be aspects of the compromise draft which you would find unacceptable, I will refrain from mentioning these difficulties to Sen on the assumption that, if you still wish me to press them, you will so indicate in your comments on the draft.

⁷⁰ Voir/See Document 701.

6. You will not find the compromise draft altogether to your liking, but I can assure you that it represents the strongest possible resolution I can work out with Sen. The following partial comments may be of assistance:

(a) Five of the preamble has been recorded from an earlier draft which left the impression that the Commission had put forward an informal scheme of settlement. Similarly, I have had the words "both by the parties and by the Commission" deleted from the first operative paragraph.

(b) Six of the preamble is a distinct improvement over an earlier version which would have recorded that, while the Royal Laotian Government has the sovereign right to hold elections, the elections to be held on December 25 shall be without prejudice to any political settlement as may be reached in accordance with Article 14. It is also an improvement over a subsequent version which would have added to the present wording "(as?) part of a political settlement". I tried without success to have it replaced by the paragraphs on elections considered stable for our own resolution. I hope, though it is somewhat (group corrupt), you may allow it to stand.

(c) I was able to secure the wording "act in conformity with" in paragraph (ii) of the recommendations as a substitute for the words "abide by the terms of".

(d) I think that Sen has included the word "full" and "fully" in paragraph seven of the preamble in (iii) of the recommendations as a (group corrupt) toward the fullest possible participation by the Pathet Lao in elections and toward integration of the FUPL into the LNA to the extent necessary. I can nevertheless see no real harm in these words being included.

(e) Paragraph four of the recommendations is, of course, crucial. I have been able to have the word "consultations" substituted for the word "negotiations" and, with more reluctance on Sen's part, to have the word "thus" inserted before the words "to come to a practical settlement". I hope you will agree to deletion of "thus" if Indians should insist on this. Sen was at first inclined toward "as soon as possible" instead of a time limit but came down on the side of the latter on the grounds that otherwise talks might never get started. He is thinking of about January 10 as the target date, by which time he expects reports to co-Chairmen would be on its way. When I suggested that talks at this stage are bound to be fruitless and that only conceivable chance of settlement would arise from some action by co-Chairmen, he said this could not happen until April. When I asked why he spoke of April he said he thought that by that time the co-Chairmen would also have to consider Vietnam.

(f) The meaning of (v) of the recommendations taken with the decision at the end is that there would be either a report under Article 36 or a simple report. Sen would be prepared to have the latter take the form of a communication referring to the letter covering the letters from the parties and commenting on them, though he would not want such a report to be necessarily restricted to direct comment on the letters.

7. I have not discussed the compromise draft with the RLG and am still of an open mind as to whether or not this would be desirable before such time as it may have been passed.

8. If you should decide to ask our High Commissioner in New Delhi to discuss the draft with the Indians please advise me so that I may inform Sen.

9. I would be grateful for the earliest possible expression of your views on the compromise draft, particularly if you should contemplate my referring a final version to you before voting. If the resolution is to be raised this should be done as far as possible in advance of December 25.

[P.] BRIDLE

700.

DEA/50052-B-40

*Le commissaire de la Commission internationale de surveillance
pour le Laos
au secrétaire d'État aux Affaires extérieures
Commissioner, International Supervisory Commission for Laos,
to Secretary of State for External Affairs*

TELEGRAM 333

Vientiane, December 12, 1955

SECRET. IMMEDIATE.

Reference: Our telegram 332 of December 12.

DRAFT COMPROMISE RESOLUTION

Following is text of draft resolution worked out with Sen (for consideration in Ottawa and Delhi) as possible compromise for introduction in International Commission following discussion of Canadian simple restoration resolution, begins:

(i) *Considering* that the sovereignty, independence, unity and territorial integrity of Laos were recognized in the Geneva Settlement;

(ii) *Recalling* its unanimous resolution of December 3, 1954, by which it recommended that representatives of the Royal Government and of the Fighting Units of the Pathet Lao should examine together the means which should be adopted to attain the political settlement envisaged in Article 14 of the Geneva Agreement, including the re-establishment of the Royal Administration in the Provinces of Sam Neua and Phong Saly;

(iii) *Considering* that on June 15, 1955, the Commission unanimously addressed a letter to the Royal Government recognizing its right to the actual administration of these two provinces and at the same time realizing that in view of the conditions prevailing there it would be difficult to establish the Royal Administration without the political settlement;

(iv) *Recalling* that in that same letter the Commission expressed the hope that the talks between the parties would be renewed without delay and that all efforts would be made to pursue them until a political settlement was reached;

(v) *Observing* that these discussions, in the course of which the Chairman, acting in a mediatory role, put forward an informal scheme of settlement, have not yet led to an agreement;

(vi) *Considering* that general elections, in which the Pathet Lao are not participating, will be held on 25 December, 1955, and understanding that the forthcoming elections do not preclude the possibility of Pathet Lao participation in such future elections as may be agreed to by the Royal Government;

(vii) *Considering* that, without the Royal Government administration in the two northern provinces, it would be impossible to obtain full integration of the Fighting Units of the Pathet Lao into the national community as envisaged in the Geneva Settlement;

(1) *Expresses* regret that the efforts hitherto made to bring about a settlement have so far produced no result;

(2) *Reiterates* that the intention of the Geneva Agreement is to preserve the unity of Laos;

(3) *Reiterates* the undisputed right of the Royal Government to establish its administration in the two northern provinces;

(4) *Expresses* concern at the difficult situation which has arisen as a result of the failure of the negotiations;

(5) *Recommends* to the parties:

(i) to observe strictly the recommendations contained in the Commission's resolution of December 9, 1955 for the effective cessation of hostilities;

(ii) that the Royal Administration should be re-established in the Provinces of Sam Neua and Phong Saly without further delay and that the Royal Government should, in this respect, act in conformity with its Unilateral Declaration at Geneva of July 21, 1954;

(iii) that the Royal Government should promptly take the necessary measures to enable the Pathet Lao to be reintegrated fully and without discrimination into the national community;

(iv) that, within ... from the passage of this resolution, the two parties should enter into consultations to achieve ends (ii) and (iii) and thus to come to a political settlement as envisaged in Article 14 of the Geneva Agreement;

(v) that the parties should indicate their acceptance of this resolution by ..., keeping in view the provisions of Article 36 of the Geneva Agreement;

Decides to report fully to the co-Chairmen of the Geneva Conference on Indo-China on the present situation in Laos in relation to the Geneva Agreement for such consideration as they may wish to give." Ends.

[P.] BRIDLE

701.

DEA/50052-B-40

*Le commissaire de la Commission internationale de surveillance
pour le Laos
au secrétaire d'État aux Affaires extérieures*

*Commissioner, International Supervisory Commission for Laos,
to Secretary of State for External Affairs*

TELEGRAM 335

Vientiane, December 13, 1955

SECRET. IMMEDIATE.

Reference: Our telegram 332 of December 12.

Repeat New Delhi No. 209.

SIMPLE RESTORATION RESOLUTION

Here follows the text of the resolution on restoration of Royal Administration which I will introduce in the Commission tomorrow: "The International Commission for Supervision and Control in Laos,

1. Considering that the sovereignty, the independence, the unity and the territorial integrity of Laos were recognized in the Geneva Settlement;

2. Considering that, as the International Commission informed the Prime Minister of the Royal Laotian Government in a letter dated June 15/55, such recognition involves the right of the Royal Laotian Government to the administration of the two northern provinces of Phong Saly and Sam Neua;

3. Considering that in the same letter the International Commission expressed the hope that representatives of the Royal Laotian Government and of the Fighting Units of the Pathet Lao would resume discussions with a view to reaching a political settlement as envisaged in Article 14 of the Geneva Agreement on Laos;

4. Considering that these discussions have not yet led to an agreement;

5. Considering that, unless the Royal Administration is effectively restored without further delay, the unity and territorial integrity of Laos would be gravely imperilled and the attainment of a political settlement conforming to the basic pattern of the Geneva Agreement would be impeded; recommends:

(a) that the Royal Administration should be re-established forthwith in the two provinces of Phong Saly and Sam Neua;

(b) that with this end in view, the Royal Laotian Government should make, and the Fighting Units of the Pathet Lao accept, before the end of 1955 sufficient administrative changes in these two provinces to enable the Royal Laotian Government to undertake measures necessary to effectively restore their administrative control;

(c) that the Royal Laotian Government should enter into discussions with the Fighting Units of the Pathet Lao for the re-integration of the Fighting Units of Pathet Lao as soon as possible into the national community;

(d) that the Royal Laotian Government and the Fighting Units of the Pathet Lao should inform the International Commission for Supervision and Control, Laos within seven days of the passage of this resolution whether they agree to put these recommendations into effect, bearing in mind that failure to report within the time limit would be considered as a refusal within the meaning of Article 36 of the Geneva Agreement on Laos."

2. As I suggested I might in my telegram 329, I have decided on a simple restoration resolution without reference to elections. Yesterday I received from the Prime Minister an approved formulation relating to the possibility of complementary elections to provide for additional deputies and alluding to the further possibility of this being extended to the northern provinces if the administration had been effectively restored. Under existing circumstances I do not regard this as a firm enough prospect to be included in our resolution; and in any case, since it opens up the possibility of Pathet Lao participation in further elections in the ten provinces, it would be difficult to fix without risk with the other preambular paragraphs on elections in your Y-218.

3. I have revised paragraph 3 of the preamble, omitting the expression of opinion, because this should have the words "without the political settlement envisaged in Article XIV of the Geneva Agreement" after the word "effectively" if it is to reproduce fairly the relevant part of the June 15 letter. This would create a logical difficulty in relation to para 5. As it stands the resolution is logically sound and I am prepared to cope with arguments relating to the opinion, or its omission, which we should have had to form in any (case?).

4. As anticipated in my telegram 322 of December 3, I have deleted "for handover of the rest of the administrative structure in the two northern provinces" from paragraph two of the recommendations. This leaves no doubt that the RLG would alone be responsible for the balance of administrative changes following the step to be taken in accordance with paragraph 1. In view of the short time left before the end of 1955, I have decided to leave this paragraph as in our Y-218 and not to make the amendment anticipated in my 322.

[P.] BRIDLE

702.

DEA/50052-B-40

*Le commissaire de la Commission internationale de surveillance
pour le Laos
au secrétaire d'État aux Affaires extérieures
Commissioner, International Supervisory Commission for Laos,
to Secretary of State for External Affairs*

DESPATCH 533

Vientiane, December 14, 1955

SECRET

Reference: My telegram No. 320 of December 2, 1955.†

INDIAN CEASE-FIRE RESOLUTION

I am enclosing two copies of the Indian Cease-Fire Resolution which, as mentioned in our last weekly summary, was adopted by the International Commission at its meeting on December 9.

2. During the discussion of the Resolution, I made a statement in which I said that the Canadian Delegation considered this to be a good resolution and that we attached importance to its objective, the maintenance of the cease-fire in the northern provinces. I thought, however, that it was regrettable that this kind of a resolution should be necessary and stressed that I regarded it as essential that the Commission should take positive action in the other sphere for which it had some responsibility under the Geneva Agreement, namely the promotion of a political settlement in the country. I was glad to note that the Resolution emphasized the foregoing in paragraph IV of its preamble which refers to "a political settlement, which by its nature would include a solution of all outstanding military problems".

3. Having been unable, in informal discussions, to persuade the Indian Chairman to accept all the changes suggested in your telegram no. Y-221 of November 25, I next proposed formally to the Commission that a new operative paragraph should be added to the effect that the parties should work out the application of the Resolution, bearing in mind the problem of the eventual military and political settlement envisaged in Article 14 of the Geneva Agreement. I also suggested that operative paragraph VI(d) should include some provision for the exercise of continuing supervision by the Military Committee.

4. As I had anticipated, neither of these suggestions were acceptable to the other two Commissioners. The Chairman pointed out that paragraph IV of the Resolution had been introduced into his original draft in order to try to meet the first of my points and he did not see how it would be possible to go much further since it was difficult to ask the parties to work out the application of a resolution bearing in mind a settlement, the exact nature of which it was impossible to foresee at the present time. I should perhaps add that, in our informal discussions, Mr. Sen was not prepared to include the phrase "military and political settlement" in paragraph IV, stating that the Geneva Agreement only made mention of a "political settlement". He was nevertheless prepared to accept my suggestion to the extent represented by the present wording of that paragraph.

5. The Polish representative's only comment was that the latter part of the warning contained in the last paragraph of the Indian draft resolution required re-wording. He suggested that it state that the party responsible for any provocative military act should bear the entire responsibility for all consequences which might ensue from that act. This was

clearly unacceptable to both the Indians and ourselves and after some discussion the present wording, which seems to meet the Indian point in unexceptionable language, was adopted.⁷¹

6. After the passage of the Resolution I took the opportunity of making a brief statement, along the lines of paragraph 6 of your telegram Y-221, concerning team operations in the two northern provinces, stating that with the passage of the military resolution it was more than ever important that the teams should be able to work effectively on both sides of any neutral zone which might be established. I said that the Canadian Delegation would be happy to consider ways and means of getting more Commission personnel onto the ground in the northern provinces, and suggested if the accommodation situation permitted that the military committee might consider the possibility of moving one or other of our teams from the south to the troubled areas of the north. I also took the opportunity of tabling a fairly lengthy memorandum† which we had prepared on the failure of the Pathet Lao to cooperate with the Commission under the terms of Articles 20 and 26 of the Geneva Agreement. (Two copies are enclosed.) In tabling the memorandum I followed up earlier statements I had made about Pathet Lao obstruction in the northern provinces with another statement on this problem. I think it may be possible to have the Military Committee study this question and the related question of the extent to which the activities of our teams might be somewhat extended in the northern provinces.

P.A. BRIDLE

703.

DEA/50052-B-40

*Le secrétaire d'État aux Affaires extérieures
au commissaire de la Commission internationale de surveillance
pour le Laos*

*Secretary of State for External Affairs
to Commissioner, International Supervisory Commission for Laos*

TELEGRAM Y-240

Ottawa, December 14, 1955

SECRET. MOST IMMEDIATE.

Reference: Your telegram 332 of December 9.

Repeat London Y-2005; Washington Y-2093; Paris Y-816; New Delhi Y-818.

COMMISSION ACTION

Any reference to elections in Commission resolution must be very carefully framed so as not to intrude on area of RLG's sovereignty and not to make recommendations beyond Commission's competence. On the other hand we think that it was generally expected that general elections before the end of 1955 would be the culmination of the political settlement. Reference in Mayrand's May draft resolution to need for restoration so that elections could be held uniformly throughout the Kingdom was a telling means of pressing for prompt acceptance by the PL of restoration. We would be reluctant to give up this argument from preamble to resolution if it can possibly be maintained. Nevertheless we would

⁷¹ Le Pathet Lao et le gouvernement royal du Laos ont accepté les termes de la résolution de cessez-le-feu à la fin décembre.

The Pathet Lao and the Royal Laotian Government accepted the terms of the cease-fire resolution in late December.

not press for inclusion or preamble paragraphs relating to elections in our draft resolution in our telegram No. 218 if you think that they would in any way place the RLG's position on elections in a bad light.

2. We are prepared to accept your amendments as set out in your telegram No. 316 of November 29 if you consider this shorter form more acceptable to RLG. In paragraph 4 of your preamble we think it desirable to qualify FUPL with phrase "who have not yet accepted demobilization". In paragraph 5 of your preamble FUPL would be further qualified by phrase "who have accepted demobilization and integration into the national community".

3. We think that you should introduce in Commission with suitable statement a resolution along the lines of our 218 or your 316 at a convenient early date. We do not think that you should press this resolution to a vote if you are not assured of Indian support. There is the danger that if voted on clause by clause and defeated PL and Poles might argue that opinion of majority of Commission was exact opposite of that set out in your resolution.

4. A few days or so after introduction of resolution mentioned above we would hope that you could persuade Sen to introduce compromise resolution along lines discussed in your 332 of December 12 text of which we have just received in Talbot's telegram No. 519 to F.O. Although this falls short of our hopes we much appreciate effort you have made to exclude unacceptable Indian views and get many of our ideas worked in. We are therefore prepared to authorize you to support this draft with such minor amendments as you may think acceptable. You are authorized to vote for a resolution substantially along these lines without further reference.

5. We have two specific observations to make on this compromise resolution:

(a) Preamble VI

Please try to secure amendment to phrase "in which the PL are not participating" to read "in which members of the FUPL who have not yet accepted demobilization are not participating" in order to emphasize our view that the armistice agreement only recognizes the FUPL as a military group, those who moved into two northern provinces under Article 14 are those who did not accept demobilization in the provisional assembly areas. Those who accepted demobilization are free to participate as individuals in the general elections as you have indicated and should receive the protection of Article 15.

(b) Recommendation IV

Before agreeing to a specific time limit (which we think desirable) we think it would be wise to ensure the acceptability of this provision to the RLG even if you do not discuss the whole draft resolution.

6. If Indian Government insists on greatly watering down this draft compromise resolution you may wish to consider referring to us for further instructions. We shall then have to consider whether the best that the Indians offer represents some advance over the June 15 letter or whether it would be better to drop the idea of a resolution and concentrate on trying to get a strong report to the co-Chairmen, including a possible additional Canadian minority note.

7. We recognize the taxing problems you have had in trying to steer a course through the many difficulties in the way of finding a sound, honourable and acceptable position to adopt in respect to the breakdown of the political negotiations. We very much appreciate

the perseverance and resourcefulness and good sense you have shown in this situation and regret that slow communications have added to your problems.⁷²

704.

DEA/50052-B-40

*L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures
Ambassador in United States
to Secretary of State for External Affairs*

TELEGRAM 2084

Washington, December 23, 1955

SECRET

Reference: Your Y-2048 of December 5⁷³ and our 2064 of December 20.†

LAOS — POLITICAL OBJECTIVES AND COMMISSION ACTION

Miss Byrne at the Laos desk in the State Department was finally able to give us today, Dec. 23, the considered views of the State Department on the Canadian outline of broad political objectives in Laos which was set out in your telegram under reference. The State Department comments on our outline were included in a "guidance telegram" dated Dec 22 to a number of interested United States Missions, including the United States Embassy in Ottawa. The Embassy was instructed to speak to you along the lines of the State Department's comment to us. In fact, Miss Byrne allowed us to read the whole telegram.

2. Part of the State Department message contains the State Department's assessment of Canadian policy as it is understood here. This assessment takes into account Mr. Léger's discussion with the State Department two weeks ago.⁷⁴ It is a not unfair assessment of our position and shows a real appreciation on the part of the State Department of the difficulties which we face in reconciling the diverse and conflicting factors which vie for Canadian consideration.

3. Referring specifically to the points in paragraph 14 of your telegram under reference, the message indicates that the State Department agrees with points (a), (b), (d), (e) and (g). It agrees as well with point (c) but "would add that if the resolution which the Indians will support is weaker than that contemplated in point (b), a strong Canadian minority report even in the face of Indian objections appears essential". Point (f) is acceptable to the State Department if it proves acceptable to the Royal Government.

4. So far as point (f) is concerned, i.e., the willingness of the Royal Government to resume negotiations with the Pathet Lao, the State Department believes it would be a good tactical move for the Royal Government to declare, after the Dec 25 elections and at the

⁷² Après plusieurs autres changements mineurs au texte provisoire, la résolution de compromis indo-canadienne a finalement été adoptée par la Commission le 7 janvier 1956. Le délégué polonais s'est abstenu. Pour le texte de la résolution, voir United Kingdom, Parliamentary Papers, Cmnd. 314, *Third Interim Report of the International Commission for Supervision and Control in Laos*, pp. 47-49.

After several more minor drafting changes, the Indo-Canadian compromise resolution was finally adopted by the Commission on January 7, 1956. The Polish delegate abstained. For the text of the resolution see United Kingdom, Parliamentary Papers, Cmnd. 314, *Third Interim Report of the International Commission for Supervision and Control in Laos*, pp. 47-49.

⁷³ Voir/See Document 697.

⁷⁴ Voir/See Document 641.

Commission's request, that, while the December elections were the elections specified in the unilateral Laotian Declaration at Geneva, the Royal Government was nevertheless willing to negotiate the re-integration of the Pathet Lao into the national community according to the constitution of Laos. In the State Department's view, negotiations on such a narrow basis would at least "prevent the crystallization of the partition of Laos" and place the onus squarely on the Pathet Lao if they refused to negotiate.

5. There were in addition general State Department comments on our outline. The message which we read indicated that the United States Government continued to oppose strongly the linking of the Vietnam and Laos settlements and any semblance of the partition of Laos. The United States Government, however, recognized the strength of the Canadian reasons for believing that the Indian Government and the Communists connected the two issues. The State Department was inclined to believe that we might be excessively sensitive to Indian views in this context. The State Department doubted that the Indians were truly anxious to withdraw from the Commissions in Indochina.

6. It was the firm view of the United States Government that the International Control Commissions (especially in Vietnam and Laos) served as deterrents to hostilities. For that reason the United States Government would wish to see the Commissions remain on the ground. Consequently, the State Department saw the necessity of not antagonizing the Indians. The State Department was, however, inclined to believe that the Indians could bear more pressure than we considered possible.

7. The State Department message finally examined the Canadian fear that the Royal Government might regard a favourable Commission resolution as giving it licence to use force against the Pathet Lao. It was the intention of the United States Government to continue to counsel the Royal Government to caution in this respect. The United States Government was unable, however, to advise the Royal Government not to respond with all available resources to a Pathet Lao attack. "To tell the Royal Government to hold back because re-occupation of the two provinces was not militarily possible was one thing but to request it to accept violation of the Geneva Agreement without protest was quite different." The United States Government had limited ability to influence the Royal Government, and the possibility of unilateral Lao action even in the face of Western advice could not be ruled out. It was the United States view that positive Commission action in support of the Royal Government would be the most effective demonstration that there was still hope for a recovery of the Royal Government's territory by peaceful means.

8. We took careful notes from the State Department's message and much of the above is in the original words of that message.

A.D.P. HEENEY

2^e PARTIE/PART 2RECONNAISSANCE DE LA RÉPUBLIQUE DU VIETNAM
RECOGNITION OF THE REPUBLIC OF VIETNAM

705.

DEA/50052-40

*Note du chef de la Direction de l'Extrême-Orient
pour le sous-secrétaire d'État aux Affaires extérieures*

*Memorandum from Head, Far Eastern Division,
to Under-Secretary of State for External Affairs*

CONFIDENTIAL

Ottawa, November 1, 1955

Reference: Telegram of October 31† from the Vietnamese Foreign Minister and telegram No. 574 from Hanoi† (copies attached)

RECOGNITION OF THE GOVERNMENT OF VIETNAM

Since we have now received a message from the Vietnamese Government formally notifying us of the elevation of President Diem to the position of Chief of State, and of the fact that the State of Vietnam has been proclaimed a republic, it is necessary for us to decide whether we should now extend recognition to the new government in the State of Vietnam,

2. In our telegram No. Y-690 of October 21† to Paris (repeated to Hanoi) we gave the following as the Department's preliminary view on this matter of recognition:

“Recognition of Diem's régime by us is not, in our view, necessary for the performance of our task on the Commission any more than recognition of the DR régime is necessary, and we would prefer that this step be taken as a result of the normal requirements of our relations with the State of Vietnam independent of the performance of our tasks on the Commission.”

In telegram No. 103 of October 26† from Saigon, Mr. Johnson said that he agreed that there was no need for us to take any hasty action with respect to the recognition of Diem as head of state following the October 23 referendum.

3. While we have been kept informed of the intentions of the United States, the United Kingdom and other governments to extend recognition to Diem promptly following the referendum, no other government suggested that we should take this step at the same time.

4. In telegram No. 574 of October 28,† Mr. Johnson has suggested that recognition of Diem as head of state should not be delayed too long, and that recognition by Canada now would come after an appropriate interval following recognition by the United States, France, the United Kingdom, Australia, New Zealand, Japan and Thailand.

5. We see no objection to extending recognition at this time, and the receipt of the telegram from the Vietnamese Foreign Minister will make it difficult for us to delay in doing so without good reasons.

6. Attached for your approval if you agree is a telegram to New Delhi for the Minister on his arrival there on November 3 recommending that a message be sent in reply to the Foreign Minister's telegram. Our reply would constitute recognition of the new régime in South Vietnam.

7. The message we have suggested that the Minister send to the Vietnamese Foreign Minister is similar to the corresponding messages that have been sent by the United Kingdom and United States Governments. These messages read as follows:

“Her Majesty’s Ambassador acknowledges receipt of the Foreign Minister’s letter and looks forward to the continuance of the friendly relations which have existed in the past between Her Majesty’s Government and the Government of the State of Vietnam.”

“The Government of the United States looks forward to maintaining with the new Government of Vietnam the same cordial and friendly relations which have in the past so happily existed between the two governments.”

8. There would seem to be no need for us, on the one hand, to take special note of the reference in the Vietnamese telegram to the *de jure* recognition by the Government of Canada of the State of Vietnam, nor, on the other hand, of the fact that under the Geneva settlement the administration in South Vietnam is a provisional one pending the establishment of a government for a unified Vietnam after elections have taken place. Our message to the Vietnamese Foreign Minister is, accordingly, drafted to omit reference to these two points.

9. We see no necessity for making any public announcement concerning the message to the Vietnamese Foreign Minister which accords recognition to the new régime.

A.R. MENZIES

706.

DEA/50052-40

*Note de la Direction juridique
pour la Direction de l'Extrême-Orient*

*Memorandum from Legal Division
to Far Eastern Division*

CONFIDENTIAL

[Ottawa], November 3, 1955

Reference: Your memorandum of October 21 to Legal Division† and your memo of November 1 to the Under-Secretary.

RECOGNITION OF THE NEW RÉGIME — VIET NAM

Your first memorandum under reference raised the question as to whether the Canadian Government should recognize Diem’s Government in South Viet Nam, while the second memorandum forwarded to this Division a proposed telegram to New Delhi, recommending to the Minister that a message be sent to extend recognition to the new South Vietnamese Government.

2. As you know, on December 30, 1952, the Canadian Government recognized Viet Nam “as an associate State within the French Union, in accordance with the terms of the Agreement, dated March 8, 1949 between President Auriol and His Majesty Bao Dai and recognizes the Government of His Majesty Bao Dai as the Government of this State”. It is, of course, to be assumed that the Geneva Agreement and, in particular, the subsequent Canadian membership in the International Commission is not to be construed as having caused the withdrawal of our recognition given in 1952. The two questions were independent of each other.

3. However, following Bao Dai’s decree of October 18 terminating the Mission entrusted to President Diem, and especially following Diem’s referendum of October 23 and subse-

quent declarations, a new régime was established in South Viet Nam by unconstitutional means.

4. From a strictly legal point of view, in such cases, the first question is to determine whether “the new authority which purports to the Government of this State is entitled to be regarded as representing the State in the international sphere”. Lauterpacht — “Recognition in International Law” p. 98 — says that “The rules of International Law on the subject are based on the principle that the revolutionary government which wields effective power, with a reasonable prospect of permanency, over the whole — or practically the whole — territory of the state is entitled to recognition.”

5. It might be mentioned that a change of government which was brought about by unconstitutional means is not regarded as unlawful in International Law. In this connection, recognition of a new government does not mean approval of the method by which a new government assumed power nor approval of the policies of this new government.

6. Lauterpacht and the bulk of authors on International Law consider that recognition is a legal duty although, in practice, it is usually dealt with as a matter of political discretion. This Division has usually advocated, however, — from a legal point of view — that recognition should be granted “whenever, at the discretion of the Canadian Government, conditions prescribed by International Law are fulfilled”.

7. Therefore, if you consider that Diem’s Government “exercises *effective control* over the national territory, has a reasonable *prospect of permanency*, and has the *obedience of the bulk of the population*,” recognition could be extended. However, although it is true that our task on the Commission is substantially independent of the question of recognition, the considerations discussed below may be relevant in assessing the extent to which the Diem régime conforms to the principles of international law affecting recognition.

8. In this connection, it might be mentioned that the willingness of governments to fulfill their international obligations has sometimes been taken into account by Canada in granting recognition. Although such a requirement has never been insisted upon, we have given it some weight in certain past decisions in regard thereto. For instance, in the recognition of Pinilla’s Government in Columbia, Canada noted that “this Government was unreservedly prepared to fulfill the international obligations of the Republic”. In Viet Nam, in view of our membership in the Commission, the hope might be expressed (if this is considered opportune) in our telegram giving recognition that the new Government will undertake to fulfill the international obligations binding South Viet Nam. Otherwise, it might be legally doubtful for Canada to recognize a government which might not consider itself bound by the Agreement.

9. The type of recognition to be extended is another factor which should be taken into consideration. In your proposed telegram addressed to the Minister in New Delhi express recognition is recommended in the form of an acknowledgement of the telegram received from the South Vietnamese Minister for Foreign Affairs. This is the best possible course of action under the circumstances. However, your telegram leaves little doubt of our intention of giving *de jure* recognition. Such recognition is normally given, when in fact a new government has complied with all the conditions required for recognition, i.e. reasonable prospect of permanency. On the other hand, *de facto* recognition is usually of a more provisional nature and often extended in cases where, notwithstanding the existence of the principal conditions, other conditions which might be considered necessary remain unfulfilled. In the case of South Viet Nam, we are of the opinion that, perhaps, some conditions remain unfulfilled: in accepting to participate in the Commission, the Canadian Government can also be deemed to have accepted the intention that Viet Nam would be reunited

in July 1956, as put forward in Article 7 of the final Declaration at Geneva. If this is so, then it seems to follow that we consider at present South Viet Nam as the *temporary* successor state of Viet Nam while, at the same time recognizing that the future status of this country would be decided by election; thus we would, to a certain extent, be bound to consider Diem's Government as provisional in character. In view of these circumstances, it might be more appropriate to grant *de facto* recognition only.

10. We would, of course, be pleased to consult further with your Division on this question if this last suggestion were politically acceptable. We fully appreciate that political reasons might supersede the suggestions of paragraphs 8 and 9 above which are based on a purely legal interpretation of the factors involved in this issue. In the circumstances, I would not object, therefore, to the form of recognition contemplated in your telegram under reference.

GILLES SICOTTE

707.

DEA/50052-40

*Note du chef de la Direction de l'Extrême-Orient
pour le sous-secrétaire d'État aux Affaires extérieures*

*Memorandum from Head, Far Eastern Division,
to Under-Secretary of State for External Affairs*

CONFIDENTIAL

Ottawa, November 3, 1955

RECOGNITION OF THE GOVERNMENT OF VIETNAM

Attached is our memorandum of November 1 addressed to you on this subject which was sent to Legal Division for clearance. Legal Division has, however, advanced certain considerations which should be taken into account in a decision on this matter. Their memorandum of November 3 setting forth their views is attached.

2. Despite the reservations of Legal Division we believe that on political grounds it would be unwise for us to withhold recognition at this time.

3. To cover the inconsistency between *de jure* recognition of the new régime in South Vietnam and our acceptance (by participation on the International Commission) of the Geneva settlement, under which the administrations in both halves of Vietnam may be regarded as provisional only, we have amended the second sentence of the message we have suggested the Minister might send to the Vietnamese Foreign Minister. This sentence formerly read:

"It is the hope of my government that the friendly relations which have existed in the past between our two governments will continue in the future."

It has now been amended to read:

"It is the hope of my government that the friendly relations which have existed in the past between our two countries — particularly in relation to the tasks which Canadian representatives have been carrying out in Vietnam — will continue in the future."

4. This qualification should not cause offence to the South Vietnamese or embarrassment to the United Kingdom or France. They have both recognized the Diem régime without qualification. At the same time, we should be able to maintain that our act of recognition has not been inconsistent with our responsibilities on the Commission.

5. With this amendment, therefore, we recommend that our telegram to the Minister in New Delhi go forward.

A.R. MENZIES

708.

DEA/50052-40

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

*Secretary of State for External Affairs
to High Commissioner in India*

TELEGRAM Y-750

Ottawa, November 9, 1955

CONFIDENTIAL. IMMEDIATE.

Repeat Hanoi Y-498; Saigon Y-93.

RECOGNITION OF SOUTH VIETNAMESE GOVERNMENT

Following for the Minister on arrival, Begins: Telegram dated October 31 from Saigon from Vu Van Mau formally advises you of elevation of Diem to position of Chief of State and of Constitutional Act establishing the State of Vietnam as a Republic. Full text is contained in our immediately following telegram.†

2. In telegram No. 574† from Hanoi (repeated to New Delhi as No. 64) Johnson suggests that recognition of Diem as Head of State should not be delayed too long. While such recognition is not in our view necessary for the performance of our task on the Commission and should take place in conformity with the normal requirements of [our relations] with the State of Vietnam, we see [no objection] to our taking this step now, particularly since States more closely concerned have already extended recognition.

3. Accordingly, you may wish to send [a] message to Vietnamese Foreign Minister along the following lines:

Begins: I acknowledge receipt of your [telegram of October] 31 informing me of the elevation of President Diem to the position of Chief of State of Vietnam. [It] is the hope of my Government that the friendly relations which have existed in the past between our two countries — particularly in relation to the tasks which Canadian Representatives have been carrying out in Vietnam — will continue in the future. I thank you for your expressions of good will which I sincerely reciprocate. Ends.

The formula is similar to that employed by the United States and the United Kingdom with the exception of the phrase between dashes in the second sentence. This phrase is considered a desirable qualification in our message or recognition, to cover the inconsistency between our acceptance of the Geneva Settlement (as a consequence of our participation in the Commission) and our *de jure* recognition of a régime which, under the Geneva Settlement can be regarded as provisional only and exercising sovereignty [only] in areas south of the 17th parallel, pending reunification of the country after general elections. The reference is intentionally obscure to avoid disturbing the South Vietnamese or embarrassing the United Kingdom or France, but it would enable us to meet accusations which might be advanced by the Indians or others that we have done something inconsistent with our responsibilities on the Commission.

4. If you agree to a reply along these lines you may [wish] to send it directly to Mau from New Delhi (repeating it [to the British] Ambassador in Saigon who represents Canadian

interests [(in Saigon] Candel, Hanoi, and Candel, Saigon.) Alternatively y[ou may wish] to authorize the Acting Minister here to send the reply[.] We would be grateful if you would inform us [which method] you intend to employ.⁷⁵

3^e PARTIE/PART 3FORMOSE ET LES ÎLES CÔTIÈRES
FORMOSA AND THE COASTAL ISLANDS

709.

DEA/50056-B-40

*Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis*

*Secretary of State for External Affairs
to Ambassador in United States*

TELEGRAM EX-153

Ottawa, January 28, 1955

SECRET

Reference: Your telegram No. WA-133 of January 24, 1955.†
Repeat London No. 152; Permdel No. 30.

FORMOSA AND THE COASTAL ISLANDS

I should like to expand some of the views expressed in my statement in the House of Commons yesterday about the situation in the Formosa Strait.⁷⁶ The passage in President Eisenhower's message to Congress about the series of recent Chinese Communist attacks in the Formosa Strait is quite striking.⁷⁷ The President quotes the Chinese Communist statements that their objective is the conquest of Formosa and his speech suggests that the United States authorities may agree that this is their objective. Our understanding is that the Chinese Communists lack the strength, particularly naval and air strength, successfully to invade Formosa. Further, we have little if any indication that the Chinese Communists are thinking in terms of direct hostilities with the United States which, of course, an attack on Formosa would entail. The immediate objective of the Chinese Communist operations in the Formosa Strait seems to be limited to the taking over of the coastal islands.

2. In my statement Tuesday, I made a distinction between the status of the coastal islands and that of Formosa and the Pescadores. From the terms of the defence treaty we gathered

⁷⁵ Ce télégramme a été reconstitué à partir d'un original très endommagé. Pearson a approuvé le projet de message à Mau le 9 novembre. Le message a été livré par Rae et Beaudry le 15 novembre.

This telegram was reconstructed from a badly damaged original. Pearson approved the draft message to Mau on November 9. It was delivered by Rae and Beaudry on November 15.

⁷⁶ Voir Canada, Chambre des Communes, *Débats*, 1955, volume 1, 1955, pp. 522-523. Le 28 janvier, Pearson a fait une déclaration semblable concernant Formose pendant la diffusion de l'émission « The Nation's Business » à la S.R.C. Voir Canada, Department of External Affairs, *Statements and Speeches*, 1955, No. 4.

See Canada, House of Commons, *Debates*, 1955, Volume 1, pp. 498-499. On January 28, Pearson made a similar statement regarding Formosa during a broadcast of "The Nation's Business" on the C.B.C. See Canada, Department of External Affairs, *Statements and Speeches*, 1955, No. 4.

⁷⁷ Voir/See United States, Department of State, *Bulletin*, Volume XXXII, No. 815, February 7, 1955, pp. 211-213.

that defence arrangements could be made for Formosa and the Pescadores without the retention of outposts in the coastal islands.⁷⁸ Indeed, we have hoped that with the more formal guarantees of United States support in the treaty, the Nationalists would in time have come to regard these outposts as of minor importance in their defensive arrangements. Moreover, as some of these islands are so close to the Chinese coast, it obviously would be difficult to defend them locally and possibly the only effective method would be by retaliation against the Chinese mainland.

3. In this connection there is an obvious danger that in assisting the Nationalist forces to evacuate the Tachens, there may be some brush between United States and Chinese Communist forces. We sincerely hope that the United States Administration will do everything possible to play down such incidents if they occur.

4. To obtain a cease fire agreement it is, of course, necessary that the Chinese Communists should participate. The United States Government has made one important concession in the abandonment of any sponsorship of Nationalist claims to re-establish themselves on the mainland. They may well feel that it is now up to the Communist Chinese to make a concession. As President Eisenhower pointed out recently, although the allies of the United States have no doubt as to her defensive intentions, the Chinese Communists may well entertain other notions and the continued occupation of islands so close to her coast may cause the Chinese to doubt United States intentions. In order to attempt to overcome these suspicions, I consider it very desirable that the question of the coastal islands should be kept open. It is unlikely that the Chinese Communists will agree to cease fire discussions unless it is indicated to them in some fashion that the possession of the coastal islands is open to negotiation. It might be possible, for example, to suggest that some of these islands be de-militarized while remaining provisionally under Nationalist Administration.

5. I have emphasized the importance of securing participation by the Chinese Communists in cease fire discussions because I assume that the type of United Nations action that is envisaged is good offices or mediation action. I do not consider that the situation in Formosa at present lends itself to collective security action and we assume that this is not what the United States Administration has in mind.

6. I should be obliged if you would express these views to the State Department; preferably to the Under-Secretary of State or Mr. Murphy.

[L.B.] PEARSON

⁷⁸ Pour le traité de défense, voir United States, Department of State, *Bulletin*, Volume XXXI, No. 807, December 13, 1954, p. 899.

For the defence treaty, see United States, Department of State, *Bulletin*, Volume XXXI, No. 807, December 13, 1954, p. 899.

710.

DEA/50293-40

*L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures
Ambassador in United States
to Secretary of State for External Affairs*

TELEGRAM WA-167

Washington, January 28, 1955

SECRET. IMPORTANT.

SITUATION IN THE FORMOSA STRAITS

It seemed to me that it would be useful to record briefly in a telegram to you the conversations which had taken place in the last twelve hours between Merchant and myself and most recently between you and the Secretary of State over the telephone.

2. After you spoke to me on the telephone last evening, I called on Merchant at his house and explained the circumstances of the decision that you should accompany the Prime Minister to the Commonwealth meeting in London.⁷⁹ I said that without doubt the current situation in the Formosa Straits would be discussed by the Prime Ministers, and that you wished the Secretary of State to know that you would do what you could to explain the intentions of the United States, and to dispel extreme and erroneous impressions of United States policy. It was to be anticipated that the Asian representatives particularly would be very apprehensive. In these circumstances it might be useful if you and Mr. Dulles had a word over the telephone before you left.

3. Merchant and I decided that the best procedure would be for him to arrange for me to call on the Secretary this morning. I could then explain the position to him after which, if he wished, he could call you on the telephone. This is precisely what happened. Merchant and I were in the room when Mr. Dulles spoke to you.

4. Mr. Dulles began by saying that he was very glad that you were going to London. He was also grateful for the opportunity of speaking to you before you went. He then went on to explain the policy of the United States as summarized in the following paragraphs of this message.

5. The United States does not want war. If it had wished to precipitate a war with China there had been much better opportunity when hostilities were being carried on in Korea and in Indo-China. On the contrary, the United States had made great sacrifices to bring the Korean hostilities to an end. Hostilities in Indo-China had also been terminated. If, with the Chinese Communists facing hostile forces on three fronts (Korea, Formosa and Indo-China), the United States had not then launched a war, it was surely unlikely that it would decide to do so now under much less favourable conditions.

6. On the other hand, Mr. Dulles went on, the United States were determined to hold the island chain which began in the Aleutians and of which the Pescadores and Formosa formed an integral part. Of the American determination in this respect there should be no shadow of doubt. Formosa was essential to the security not only of the United States, but

⁷⁹ Pour la déclaration de Saint-Laurent sur la participation de Pearson à la réunion des premiers ministres du Commonwealth, voir Canada, Chambre des Communes, *Débats*, 1955, volume I, p. 601. Voir aussi le document 241.

For St-Laurent's statement on Pearson's participation at the Commonwealth Prime Ministers' meeting, see Canada, House of Commons, *Debates*, 1955, Volume I, p. 571. See also Document 241.

also, indirectly, of Canada, and more directly of Australia and New Zealand. If Formosa went, Japan could not be held, and the potential combination of the Soviet Union, Communist China and Japan would create a situation of unbalance which would be disastrous.

7. The reasons why the Administration had decided to request specific approval from Congress (following the stepped up propaganda from Peking with respect to their Formosan intentions and the assault on the Tachens) were two:

(a) To bolster the morale of Nationalist China which was deteriorating seriously; if the Nationalist forces disintegrated the United States would find it difficult to man the defences of Formosa with United States troops;

(b) To make it abundantly clear to Peking that the United States would fight rather than give up Formosa and the Pescadores.

8. Mr. Dulles went on to remind you that the United States Government had hoped that gradually the situation in the Straits would become stabilized. They had been in consultation with the United Kingdom Government since September, as you knew. It was the action of Peking in increasing their threats with regard to Formosa, and finally assaulting the Tachens, that made it necessary for the United States to react strongly. This was not an evidence of any aggressive intention on the part of the United States Government, Mr. Dulles repeated, but a necessary indication of their determination to stand firm before Formosa.

9. The conversation ended at this point. You told me subsequently that, on your side, you had expressed appreciation of this exposition of United States intentions, and that it would be helpful to you in London in explaining the American point of view. I am satisfied that the conversation was very useful, certainly in terms of our own relations with the United States.

10. It may not be possible to get the Minister's directions before he leaves this afternoon, concerning repetition of this telegram. I take it, however, that you will wish to repeat it at least to London for him.

A.D.P. HEENEY

711.

DEA/50056-B-40

*L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures
Ambassador in United States
to Secretary of State for External Affairs*

TELEGRAM WA-170

Washington, January 29, 1955

SECRET

Repeat London No. 4; Permdel No. 10.

FORMOSA AND THE COASTAL ISLANDS

It seems to us that there is a momentary lull at this stage in the hectic pace of developments of United States policy with respect to the situation in the China coastal area. The *New York Times* coverage in the past week of the important elements of what we believe to be a gradual clarification of United States-China policy has been essentially accurate and we need not deal at any great length with what is public property. It may be useful for you,

however, to have our brief roundup of fact and speculation at this moment of relative quiescence.

2. It seems to us that recent events have in some measure at least served to clear away much of the emotional fog which has made it so difficult to see the basic outline of United States policy towards Communist China. There are grounds for belief that Mr. Dulles, by his persistent and energetic attention to the whims of Congress and public opinion, has arrived at a point where he can with some safety reveal a China policy close to the much-maligned Truman-Acheson doctrine of an earlier day.⁸⁰ It is at least conceivable that the one-time powerful China lobbyists may be in a position similar to that which in another context produced the Herblock caption "don't look now but I don't think we are being followed". It may be too much to assume that Mr. Dulles has over a long period worked consciously toward his present policy; it cannot easily be denied, however, that he has been instrumental in creating the climate of opinion within which it was possible for the Administration to indicate that it would withhold its concurrence from any Nationalist Chinese attempt to restore by force its control of the mainland of China.

3. What we believe to be the four cornerstones of the United States policy which is gradually becoming more apparent are (in over-simplified terms) the following:

(a) The containment of Communist Chinese expansionist tendencies; these to be considered more in terms of their effect on balance of power in the area than in terms of their ideological connotations. Formosa and the Pescadores are integral parts of the line of containment and will be denied to Communist control.

(b) The United States has no aggressive intentions against mainland China and will earnestly seek to achieve a peaceful settlement through United Nations channels of the immediate problems in the China coastal area. Communist China must realize, however, that the United States is prepared to fight if attacked either before Formosa or in the course of any United States-assisted evacuation of Tachens by the Nationalist Chinese.

(c) United States concurrence will not be given to any action by Chinese Nationalist authorities to restore themselves by force to the mainland of China. While the Administration must still be cautious towards the idea of "two Chinas", and particularly towards any suggestion that the United States is taking the lead in such a move, the possibility is no longer beyond the pale.

(d) The eventual disposition of the offshore coastal islands must be left open and can be determined only after a period of successful cease-fire in the Formosa straits.

4. Domestic reaction to the President's message to Congress has run the gamut from Mr. Wilson's inept remark that Formosa was "just a ripple" to the comments of Senators Morse and Flanders that the President was seeking "a quasi-legalization of preventive war". The President's request for Senate concurrence to the commitment of United States forces in defence of Formosa and the Pescadores, if that should prove necessary, was, however, granted by a vote of 85 to 3 in the Senate on January 28. The House of Representatives gave its assent on January 25 by an unprecedented vote of 409 to 3. The President's personal assurance offered on January 27 that "any decision to use United States forces other than in immediate self-defence or in direct defence of Formosa and the Pescadores" would be a decision which he would take and a responsibility which he would not delegate, and the strong defence of the President's action by Senator George on the floor of the Senate are thought to have had great influence on the final vote.

⁸⁰ Voir/See *Public Papers of the Presidents of the United States: Harry S. Truman 1950*, Washington D.C.: United States Government Printing Office, 1965, pp. 492, 527-537, 599-600.

5. The Senate debate has not been without domestic political overtones. Democrats have charged that the President is simply reinstating the policy of the Truman Administration and by that action is admitting the falsity of Republican condemnation in the last two electoral campaigns of the Truman Administration's China policy. Republicans, of course, contest this appreciation. In spite of differences of opinion which have been expressed in the course of the Senate debate, however, the President's hand has been strengthened immensely to take whatever action he considers necessary in the Formosa Straits.

6. Finally, we have been struck by the state of mind of some of the working-level officials in the State Department with whom we deal regularly on China matters. It can best be described as a kind of sense of relief on their part that at last their superiors have made up their minds on a consistent and purposeful policy towards Communist China which will indicate to the Communist Chinese without any excessive bravado the limits beyond which the United States will not be pushed.

712.

DEA/50056-B-40

*Le secrétaire d'État aux Affaires extérieures
au haut-commissaire au Royaume-Uni*

*Secretary of State for External Affairs
to High Commissioner in United Kingdom*

TELEGRAM 176

Ottawa, February 1, 1955

CONFIDENTIAL. IMPORTANT.

FORMOSA STRAITS NEUTRALIZATION

Following for Léger, Begins: We have been wondering whether, after the deployment of Nationalist forces from the coastal islands, which we would hope might take place under a Security Council cease-fire or some tacit acceptance by the Communists of peaceful withdrawal of the Nationalist garrisons, some further action could be taken to discourage the outbreak of any further hostilities between the Nationalists on Formosa and the Communists on the mainland.

2. We recognize that the United States Mutual Defence Treaty with the Chinese Nationalists and the accompanying exchange of Notes will have the practical effect of both defending Formosa and curbing the forces there from attacking the mainland. Nevertheless, it would be difficult for the United States or the Nationalists to spell out any more clearly than they have done in their exchange of Notes any limitation beyond "consultation" on offensive action being taken by the Nationalists. It would also be difficult for the United Nations to take special note of this special agreement between the United States and the Nationalists even though it may have some of the practical effects desired.

3. Any proposed resolution in the Security Council or the General Assembly envisaging the neutralization of Formosa would appear to be unacceptable to both the Nationalists and the Communists because they would regard it as an intervention into an area of domestic jurisdiction.

4. However, it might be possible for the United Nations, representing the international community to pass a resolution neutralizing the international waters of the Formosa Straits. Such a resolution might call upon the parties and on all member Governments and non-member Governments to refrain from sending any armed vessel into, or armed aircraft over a defined corridor down the centre of the Formosa Straits. If such a corridor were

plotted about 40 to 50 miles wide it should still give sufficient room for Chinese Nationalist and United States warships, on the one hand, to sail down the west coast of Formosa and out to the Pescadores and Communist Chinese warships, on the other hand, to sail down the more indented mainland coast and visit any of the inhabited off-shore islands. A 3-Power International Commission might be established to supervise the neutralization of the Formosa Straits. This Commission might have as its members the United Kingdom which could provide naval base facilities at Hong Kong, Australia or France which both have naval vessels available in the Pacific area and which recognize the Chinese Nationalists and India or Burma or Ceylon which recognize the Chinese Communists. An international naval patrol, under the direction of the Commission, might be based on Hong Kong, or possibly Manila which would be somewhat further away. The objective might be to keep one aircraft carrier and 3 destroyers or frigates on patrol at any one time in the neutral corridor. Various member states might be prepared to contribute vessels to this patrol from time to time. Any vessel wishing to pass through the neutral corridor would be required to identify itself on demand from the neutral patrol. If considered desirable, a system of navicerts might be instituted.

5. The suggestion outlined above has been drafted rather hastily as a departmental think-piece that might be helpful in your discussions of ways of dealing with the problem of neutralization after the immediate problem of the hostilities in the coastal islands has been solved. The idea of dealing with international waters is to avoid assertions from both the Nationalists and the Communists that the United Nations has no right to intervene in their domestic affairs. If the idea of establishing an International Commission and an international patrol is accepted for Stage 2, then that Commission and the patrol might also be useful in Stage 1 in overseeing the evacuation of Nationalist forces from the coastal islands, as outlined in Menzies' memorandum† to you of January 28.

6. We are not repeating this telegram to either Washington or New York at present but would be interested in your reactions and any suggestions you may have as to ways in which the Department might be of further assistance in your deliberations in London. Message Ends.

713.

L.B.P./Vol. 32

*Le Foreign Secretary du Royaume-Uni
à l'ambassadeur du Royaume-Uni aux États-Unis
Foreign Secretary of United Kingdom
to Ambassador of United Kingdom in United States*

TELEGRAM 497

[London], February 1, 1955

SECRET. IMMEDIATE.

Reference: Your telegram No. 273. Formosa Straits.

Repeat for information to UKDEL New York, Moscow, Peking and Saving to Paris.

This was a useful conversation and I approve your language. Mr. Dulles' attitude over the evacuation of the Tachens (paragraph 1) and the future of Chiang Kai-shek (paragraph 3) seems realistic and reassuring. But I am concerned about other aspects of his argument

particularly his suggestion that he may not be ready to face giving up the other coastal islands for at least another six months (paragraph 6) and the Administration's decision to rest their case over Formosa only on strategic arguments (paragraph 4).

2. My concern springs from a keen desire to find a basis upon which we can work closely with the United States in the Far East. I fully understand Mr. Dulles' grave difficulties with Congress and with the Chinese nationalists. But I am most anxious that American policies should also command the full support of opinion in this country and the rest of the free world.

3. Public opinion here understands and approves the human reasons for not handing over the inhabitants of Formosa to Communist rule. It also recognises that the juridical status of Formosa and the Pescadores on the one hand is different from that of the Mainland and the Coastal Islands on the other. But it is troubled by the lack of clarity in the United States Government's intentions as expressed in their public statements both concerning Matsu and Quemoy and in regard to the use of Formosa as a base for operations against the Mainland. On the first of these two points it is argued that if the evacuation of the Tachens is to be undertaken now it would be better to evacuate all the other islands at the same time rather than wait until attacks develop against them and the operation becomes all the more difficult. On the second point it is felt that the provision in the American exchange of notes with the Nationalists of December 10 that no such operations can take place except with the agreement of the Americans must mean that when such operations do take place they have American support or at least consent. Opinion here is also uncomfortable about the implications of basing the defence of Formosa which is not under American sovereignty and far from the United States upon the strategic argument along that it is considered essential to the defence of the United States. It goes without saying that Formosa has strategic significance not only to the United States but to the other non-Communist countries in the Pacific. But this is surely one of those truths which it is less politic to emphasise and which might have awkward implications if invoked by Russia to justify occupation of Austria and satellite territory. By contrast the telling points in the first two sentences of this paragraph do not suffer from these disadvantages.

4. It will be hazardous to allow the present situation to persist for another six months. It is most unlikely that in such circumstances we shall avoid serious incidents in which as things now are the United States might not command that support of world opinion which is so desirable.

5. It is therefore a matter of some urgency that despite the very real difficulties the United States Government should nevertheless find some means of making clear publicly and beyond all doubt what appear in fact to be their real intentions: namely (a) that they propose to encourage and assist Chiang Kai-shek to evacuate all the coastal islands, and (b) that it is their purpose in future to confine Chiang Kai-shek to Formosa and the Pescadores and to prevent him from using it as a base for hostile activities of any kind against the Mainland.

6. The Americans would command full support here in all efforts to secure a cease-fire designed to enable them to fulfill these two purposes. And once these purposes had been fulfilled the American determination to defend Formosa and the Pescadores would be seen to rest upon a much more solid foundation than at present.

7. I shall be glad if by whatever means you consider appropriate you will urge these considerations as strongly as possible upon the United States Government and press them to consider making some public statement on these lines at an early date. If the United States Government nevertheless conclude that they cannot take the initiative suggested

above you should ask them whether there is anything we or New Zealand could do to give them a lead over the jump.

714.

DEA/50056-B-40

*Le haut-commissaire au Royaume-Uni
au secrétaire d'État aux Affaires extérieures*

*High Commissioner in United Kingdom
to Secretary of State for External Affairs*

TELEGRAM 131

London, February 2, 1955

SECRET

FORMOSA STRAITS

Please pass the following message to the Ambassador, Washington, from the Minister, Begins: The Foreign Secretary has shown me a copy of a telegram which he has sent to Makins, No. 497, of February 1, which comments on Makins' talk last Friday with Mr. Dulles, a report of which you have no doubt seen. In this message, a copy of which Makins will no doubt be able to show you, he has been asked to urge certain considerations upon the United States Government, which it is hoped will remove some uneasiness in this country which has arisen over the uncertainties and ambiguities of United States policy.

2. Eden said that it would be most helpful if we saw fit to make the same kind of approach to the State Department. As the British position and our own on this matter is very similar, I would be glad if you would do this, basing your observations on my statement in the House and in my broadcast on January 28, which could be reinforced where appropriate, by the points which the Foreign Office raise in their message to Makins, and which seem to me to be sensible and very much to the point.

3. I do not think, however, that you need go so far as is suggested in paragraph 7 of the telegram to Makins, which pressed upon the United States Government the desirability of a public statement at an early date along the lines indicated. It will be enough if, at this stage, we merely make clear to them our own views and worries on the matter which, I should add, are shared in varying degrees by all the governments represented at the Commonwealth conference.⁸¹ Ends.

[L.B.] PEARSON

⁸¹ Voir aussi/See also Document 241.

715.

DEA/50056-B-40

*Le haut-commissaire au Royaume-Uni
au secrétaire d'État aux Affaires extérieures*
*High Commissioner in United Kingdom
to Secretary of State for External Affairs*

TELEGRAM 153

London, February 6, 1955

SECRET. MOST IMMEDIATE.

FORMOSA

There was a meeting at Sir Anthony Eden's office yesterday morning, attended by Mr. St-Laurent, Mr. Nehru, Madame Pandit, Krishna Menon, Mr. Pillai, Sir Harold Caccia and myself.⁸² It was stated to the conference, and also to the press, that this meeting was being held to discuss the work of the Indo-Chinese Commissions, but when we assembled, Eden raised at once the question of Formosa. He read us a telegram which he had received from Moscow,⁸³ and which I assume has reached you, with a Russian proposal for a conference, to be held this month in Shanghai or New Delhi to discuss Formosa in the light of the Chinese Communist refusal to attend the Security Council and the United Nations, a refusal which the Russians consider to be entirely justified.

2. Eden was inclined to agree that this proposal of the Russians, though obviously unacceptable to the Americans, was no mere propaganda move and that it indicated the Russians were worried about the situation. He asked our views.

3. Nehru made quite an impassioned defence of the Chinese attitude, at which Eden from time to time demurred, and he was very critical of the United States. He felt that with the Security Council now out of the picture, some ad hoc approach to a settlement through conference should be attempted. He agreed that the Russian proposal would be difficult for the Americans to accept, and to our surprise that any conference which was held should be under the cover of the United Nations. He was very worried that Chiang Kai-shek was pulling the United States and its friends into courses from which it might be impossible to withdraw. Eden felt the same about Chou En-Lai. Of one thing Nehru, however, was absolutely certain; that the Chinese would not yield to United States threats and bullying, and were determined to secure Formosa.

4. We expressed our own view that the Russian proposal, while it might have to be taken seriously, was obviously quite impossible of acceptance by the United States. We felt that a better approach would be for the Security Council to set up a small Good Offices Committee, with wide terms of reference, which, if it so desired, could even recommend a Far Eastern conference. However, though this, or something like it, might have to be done eventually, the immediate danger arose out of the possibility of "incidents" connected with the evacuation of the off-shore islands, and something should be done about that at once, but through diplomatic channels. We suggested that if the USSR or India could approach Peking with a view to getting an assurance that evacuation of these islands would not be

⁸² Voir/See Document 241.

⁸³ Une version du télégramme est réimprimée dans *Documents on International Affairs, 1955*, London: Oxford University Press—Royal Institute of International Affairs, 1958, pp. 450-452.

A version of the telegram is reprinted in *Documents on International Affairs, 1955*, London: Oxford University Press—Royal Institute of International Affairs, 1958, pp. 450-452.

interfered with, we, on our side, could ask Washington for a private reassurance that disengagement from these islands, including Quemoy, remained the policy of the United States. It was recognized that it would be quite impossible for the United States to make any public declaration to the above effect, but they might reassure us privately, in return for which India might try to get the assurances required from Peking regarding non-interference. Meanwhile, the larger question of a solution to the problem could be deferred for the time being as the atmosphere which existed now made any general discussion of such a solution fruitless.

5. Both Eden and Nehru were attracted by the above ideas and Eden is to prepare a telegram to Washington which will go at once, and which we will be shown. We were all perfectly aware of the difficulties in securing even a private assurance from the Americans on this question of disengagement from the islands, but we felt that it should be tried in conjunction with an effort to secure an assurance of non-interference from the Chinese.

[L.B.] PEARSON

716.

DEA/50056-B-40

*Le haut-commissaire au Royaume-Uni
au secrétaire d'État aux Affaires extérieures
High Commissioner in United Kingdom
to Secretary of State for External Affairs*

TELEGRAM 154

London, February 6, 1955

SECRET. MOST IMMEDIATE.

Reference: My immediately preceding telegram.
Repeat Washington No. 5.

FORMOSA

A draft of the telegram from the Foreign Office to Washington, referred to in telegram No. 153, was discussed with Robertson, Léger, and myself yesterday afternoon by Sir Harold Caccia, and it is now proposed to send the following message: Begins:

"This Russian approach confirms my view (my telegram No. 196 to New York) that no good can come from any further effort by the Security Council to concern itself with the substance of this question at present. The Russian proposal suggests that they would not dissent from this.

2. If the stage is reached when a Conference or a Commission of Good Offices can be set up to consider this question, it will of course be important that this should be done, if possible, under the aegis of the United Nations. But I do not think that that stage has yet been reached.

3. In my view the essential preliminary is to bring the fighting to an end. As things are, an incident might take place which could have grave consequences and our present efforts should be concentrated on preventing this.

4. In order to have a workable basis for achieving this, it is essential that we should know what it is that the United States Government aim now to achieve. Our understanding is that they would wish to move to a position where Nationalist troops would have been removed from all the coastal islands to the Pescadores and Formosa, and would there be held in

accordance with recent arrangements between them and the Nationalist Chinese Government.

5. If this is the position and the United States Government cannot for internal reasons make it plain in public, but would agree to tell us confidentially, then we would be ready to consider an approach to the Russian and Chinese Governments. This approach might take the form of saying that we have noted what Molotov had told United States journalists (Moscow telegram No. 86) and were therefore seeking confirmation that this was the position of the Chinese Government. We would add that if it were, we should be willing so to inform the United States Government without disclosing to the Russian and Chinese Governments the information of United States intentions which had been given to us.

6. I shall be considering what reply to send to Molotov and shall be glad of any comments which the United States Government may have. While I am clear that the present Russian proposal is not acceptable, I see advantage in seeking to continue these confidential exchanges through the diplomatic channel and I think it would be most unwise to slam the door on some eventual Conference or Good Offices Commission, or other technique, provided it was on an acceptable basis. But I repeat that, meanwhile, it is essential to try to reach an arrangement which will at least tacitly avoid the possibility of a dangerous incident.

7. There will not be a formal meeting of the Commonwealth Conference until Monday afternoon. But I shall be informing Commonwealth Prime Ministers individually of my views. I have no reason to think that they will not agree with them". Text ends.

This message should be sent at once to Mr. Heeney. It embodies our views and will be of assistance to him in any discussions with the State Department on this subject. I am telling Butterworth of the American Embassy about it this afternoon, associating ourselves informally with the United Kingdom approach. We are however, anxious that there should be no impression created in Washington that anything like collective pressure on the Americans is involved, nor do we wish to irritate them by a succession of Commonwealth representations repeating the same arguments and observations.

[L.B.] PEARSON

717.

DEA/50056-B-40

*L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures*

*Ambassador in United States
to Secretary of State for External Affairs*

TELEGRAM WA-223

Washington, February 7, 1955

SECRET. IMPORTANT.

Reference: London's telegrams Nos. 153 and 154 of February 6.
Repeat Permdel No. 13.

FORMOSA AND THE COASTAL ISLANDS

We saw Scott at the United Kingdom Embassy today, February 7 (Makins had left for New York). Scott had just despatched a report on the interview which Makins and he had with Dulles this morning arising from the instructions from the Foreign Office contained in London's telegram to Ottawa No. 154 of February 6. Presumably, the full report will be

immediately available to the Minister in London and eventually will be available to you in Ottawa through Earnscliffe. We will not therefore attempt to deal at any length with the message which we read but we might record the main points in it as well as some of Scott's personal comments.

2. Dulles said that it was impossible at this time to clarify further United States intentions with respect to the coastal islands. It was impossible therefore to offer any commitment even privately that Nationalist troops would be removed from all the coastal islands. The governing factors in this context were not Congressional or public opinion in the United States. They were: (a) Communist intentions, and (b) Nationalist Chinese morale. Perhaps, Dulles said, the Communists really intended to take Formosa and the Pescadores, and if their action in the immediate future with respect to the coastal islands indicated the clear intention of proceeding on to an attack on Formosa, the United States Government would have to be free to take what action the situation seemed to require. So far as Nationalist Chinese morale was concerned, Dulles reminded the United Kingdom representatives that Chiang Kai-Shek had suffered serious setbacks in the course of the last few months. Any further setbacks at this moment might be the straw which broke the camel's back. If that were the case, a gap would be created which would have to be filled by other free world forces.

3. Dulles went on to say that the free world must not make the mistake which was made in the reading of Hitler's *Mein Kampf*. No one had believed Hitler and yet he had worked to the timetable set out in his own writings. The Chinese Communists might really mean what their propaganda organs were saying and the time might have arrived when Communist Chinese intentions and capabilities should be re-assessed by our military planners. The aim of his foreign policy in the Far East was to achieve the balance of power which would provide for reasonable stability. Until Japan was in a better position to exert its influence, the United States would have to be the main counter-weight to the potential power of China and the Soviet Union in the area.

4. Scott found Dulles' arguments convincing. Indeed, the United Kingdom Embassy has been advising the Foreign Office in this vein for some time. Scott believed that if the Chinese Communists were content to "lie doggo" for a few months before moving against other coastal islands lacking strategic significance, the Administration could view such action with reasonable equanimity. If, however, the Communist Chinese moved immediately to take over other of the coastal islands and continued their "stepping-stone propaganda" with respect to Formosa, this would be another matter. Scott is convinced that the initiative lies with Peking, and that the United States will not provoke hostilities with Communist China unless pushed to the wall. You will be aware from our reports that we share this view completely and that we are convinced that the United States Government will not give up its freedom of action as to the disposition of the coastal islands until Communist China has shown some signs of giving up its intentions to take Formosa by force.

5. Dulles was concerned that today's United Kingdom approach might indicate a United Kingdom desire to drop "operation oracle".⁸⁴ He was told that this was not the case but that the United Kingdom would prefer not to table a resolution now which might provoke a Soviet veto. Dulles agreed that a resolution should not be tabled immediately so long as this did not mean the abandonment of some effort through the United Nations to bring about a cease-fire in the straits. Dulles has not had time to give the matter his personal attention and will not have much free time in the next few days since he will be appearing before various committees of Congress to testify with respect to the mutual defence treaty with Nationalist China. Makins and Scott hope that action in the Security Council can be delayed for a week or two at least until the evacuation of the Tachens is completed or nearly completed. Incidentally, Scott is of the opinion that the Chinese Communists will be completely surprised by the evacuation of the Tachens. They are so accustomed to disbelieve anything the United States says that it will come to them as quite a shock that the United States is in fact carrying out its stated intentions.

6. We tend to agree with Scott's general conclusion that it is impossible for the United States to further clarify its intentions with respect to the coastal islands because neither the President nor Mr. Dulles knows for certain what United States action will be called for in the islands. United States moves will be made in reaction to Communist initiative in this matter. Makins and Scott are offering what we consider to be sound advice to the Foreign Office — that it should take the President's statement to Congress at its face value, i.e., that the United States forces will be used "in situations which are recognizable as parts of, or definite preliminaries to, an attack against the main positions of Formosa and the Pescadores."

7. Since the Minister will receive a more detailed account of Makins' interview with Dulles, we will leave it to your decision as to whether or not this message should be repeated to London.

[G.P. DE T.] GLAZEBROOK

718.

PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET

[Ottawa], February 14, 1955

COMMONWEALTH PRIME MINISTERS' MEETING

3. *The Prime Minister*, reporting on the recent meeting of Commonwealth Prime Ministers in London, said the conference was not of the kind which could be expected to produce concrete results or agreed lines of action on specific matters. It was intended to

⁸⁴ « Opération Oracle » était le nom de code d'une opération néo-zélandaise destinée à amener le Conseil de sécurité à se réunir d'urgence pour discuter de la crise dans le détroit de Formose. Voir United States, Department of State, *Foreign Relations of the United States (FRUS), 1955-1957*, Volume II, Washington D.C.: United States Government Printing Office, 1986, pp. 129-134.

"Operation Oracle" was the code name for a New Zealand exercise to have the U.N. Security Council meet urgently to discuss the crisis in the Straits of Formosa. See United States, Department of State, *Foreign Relations of the United States (FRUS), 1955-1957*, Volume II, Washington D.C.: United States Government Printing Office, 1986, pp. 129-134.

provide an opportunity for a full exchange of views about many subjects of international importance. The talks, in fact, did range over a wide area, although the situation in the far east and problems of nuclear energy predominated.

With regard to Formosa, the Prime Minister of at least one Asian country, Pakistan, as well as those of the United Kingdom, Australia and New Zealand, were all anxious that the island be held as part of the defence chain in the Pacific, with the U.K. considering it essential for the defence of Malaya. Mr. Nehru, on the other hand, felt the United States should not be participating in Asian affairs to the extent that it was, and that, ultimately, it would have to alter its present policies. However, he did not cause any embarrassment during the talks and appeared to be just as anxious as anyone else to avoid incidents.

Sir Winston Churchill was convinced that the only effective deterrent to aggression at the present time was the superiority of the U.S. in thermo-nuclear weapons. At all costs, a split between the rest of the free world and the U.S. had to be prevented. Sir Anthony Eden had expressed the opinion that, if war did occur over the Chinese coastal islands, public opinion in the U.K. would not be allied with public opinion in the U.S. Sir Winston, however, was not so convinced. It had been difficult to be sure of the exact nature of the undertakings about these islands given by the U.S. to Chiang Kai-shek. It seemed, though, that if the islands were attacked by the Chinese Communists, the U.S. would come to the aid of the Nationalist forces on Quemoy and the Matsus.

He proposed to make a brief statement on the conference to the House of Commons that afternoon⁸⁵ and, among other things, reiterate the approach of the government to the Formosa problem, as announced by the Secretary of State for External Affairs on January 25th, 1955.

The Secretary of State for External Affairs said it now appeared that fairly clear assurances had been given Chiang Kai-shek that, if the coastal islands were attacked by the Chinese Communists, the U.S. would assist the Nationalist forces. There were really three issues of importance in this matter. The U.S. was implacably hostile to the Chinese Communist régime and, therefore, would try to destroy it. For this reason, they wished to keep the forces at the disposal of Chiang Kai-shek strong. Mr. Nehru felt that Asian public opinion would never understand this feeling because the revolution which had occurred was, in his opinion, more Chinese than Communist. The second point was the change of attitude towards Formosa. Two years ago, the island had not been regarded as essential to the defence of the U.S.; now it was considered vital for military and political purposes. Thirdly, the off-shore islands had assumed greater importance now than they had some months ago and were, at the moment, the main cause of anxiety. When the treaty of alliance between the U.S. and the Chinese Nationalists had been made, a guarantee had been given in respect of Formosa but no specific mention had been made of the coastal islands. The treaty had been regarded, initially, as defensive in nature and it was thought that through it Chiang Kai-shek would be stopped from using Formosa and the coastal islands as bases for attacks on the mainland. President Eisenhower's action in securing control of the situation himself rather than letting the matter be handled by Congress had also been reassuring. During the meetings the British government had attempted to secure a clarification of the U.S. position on the islands and an assurance that they would not be used as bases for attacks on the mainland. It had been thought that, if this could be obtained, Mr.

⁸⁵ Pour la déclaration de Saint-Laurent sur Formose, voir Canada, Chambre des Communes, *Débats*, 1955, volume 2, pp. 1171-1173.

For St. Laurent's statement on Formosa, see Canada, House of Commons, *Debates*, 1955, Volume 2, pp. 1109-1111.

Nehru would be in a position to inform the authorities in Peking in the hope that the situation might be eased. However, the U.S. reply to these overtures was disturbing. In effect it said that American aid would be given to the Nationalists if Quemoy and the Matsus were attacked. This information also had been confirmed by a New Zealand approach to U.S. authorities.

Apart from Sir Winston, ministers in the U.K. felt there would be little public support in that country for a war over these islands. The Canadian Ambassador in Washington had informed the State Department that Canada would probably also find it difficult to support the Americans in any such hostilities. On the other hand, it should not be forgotten that the U.S. government was confronted with a good many difficulties in the present situation. They were endeavouring to hold the Nationalists back and, at the same time, not give the impression that Chiang Kai-shek was being abandoned, otherwise Nationalist morale would disintegrate. There was a large body of domestic opinion in the United States, which felt that much more vigorous action should be taken by the U.S. in support of the Nationalists.

The Russians seemed to be almost as worried about the situation as the British. Mr. Molotov felt sure the invitation to the Chinese Communists to attend meetings of the Security Council would not be accepted and this had turned out to be the case. The Commonwealth governments thought the matter should be kept out of the Security Council for the present, that no resolutions should be passed about it and that the council should not be used for action against the Chinese Communists. A conference on the Geneva model had been considered, and the U.S.S.R. had proposed a ten-power meeting but the U.S. could not accept because the Chinese Nationalists would have been excluded. This proposal had leaked to the press with unfortunate results. The Secretary-General of the United Nations had also been in touch with Chou En-Lai, who said he would be glad to have discussions with the U.S., but the latter felt it could hold no discussions relating to the interests of the Chinese Nationalists in the latter's absence, and Chou En-Lai had not contemplated the attendance of the Chinese Nationalists at any such meetings.

4. *In the course of discussion* the following points emerged:

(a) It was difficult to understand how the U.S. could agree to the evacuation of the Tachen Islands and, at the same time, insist upon the protection of Quemoy and the Matsus. Strategic and political reasons had been given to explain this anomalous situation. Strategically, the off-shore islands did not seem necessary for the defence of the U.S. and its outer chain of bases. There was some foundation, however, in the belief that, if support for the Nationalists was not to be continued there would be a collapse of morale, the effects of which might be felt in Japan, Korea, the Philippines and south east Asia. Perhaps the strongest motive for the U.S. administration's actions was to be found in domestic political considerations.

(b) Strong elements in the U.S. contended that the Nationalist government was still the government of the whole of China. Other powers friendly to the U.S. felt that Chou En-Lai's government would remain in power for some time to come and had endeavoured to impress this upon U.S. authorities. Eventually, both the governments in Peking and in Formosa might be recognized, and this might be a long-term solution acceptable to the U.S. In fact, public opinion there was moving in that direction in the present crisis. There had been less inflammatory talk and intemperate debate than during previous Chinese incidents.

(c) It was hoped that a full debate on these problems in the House of Commons could be avoided at this time. However, there would be a debate on foreign policy soon, when a motion to refer the external affairs estimates to the standing committee would be made. It

could then be pointed out that irresponsible statements at this time would not be helpful in finding a solution to these difficult problems.

5. *The Cabinet* noted the reports of the Prime Minister and the Secretary of State for External Affairs on the discussions held at the meeting of the Commonwealth Prime Ministers.

...

719.

DEA/50056-B-40

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

*Secretary of State for External Affairs
to High Commission in India*

TELEGRAM 100

Ottawa, February 19, 1955

SECRET

Repeat London No. 296; Washington EX-323; Permdel No. 70.

FORMOSA AND THE COASTAL ISLANDS

My immediately following telegram reports my discussion with Dulles in New York on February 16. As you will see from this report, it presents us with the possibility that if the Chinese Communists could refrain from attacking Quemoy and the Matsus for a few months at least the Americans would endeavour to withdraw the Nationalists from those islands and create thereby a position which, although it would not be accepted as satisfactory by either side, would make a *de facto* peace possible. Although it is obviously impossible for the United States to make a public statement to this effect it is clearly important that American intentions should be understood in Peking. I gained the definite impression that Dulles expected me to pass on his views in directions which might eventually lead to Peking and I indicated to him that I would be reporting our conversation to some of our friends.

2. Robertson discussed with Eden in London the possibility of the report being passed by him directly to the Chinese Chargé in London. Eden's view, however, was that there would perhaps be a better chance of a serious warning getting through to Peking if it passed from me to Nehru. The British were discouraged by their previous attempt to send a warning of American intentions through the Chinese Chargé in London which received a very hostile reception in Peking.

3. I am mindful in particular of the complications involved in an operation of this kind which you pointed out following our previous intervention on the subject of the American prisoners, and I do not wish to appear as an intermediary passing messages in this matter

from Washington to Peking via India.⁸⁶ I think, however, that you might show my telegram No. 101 to Nehru telling him that I was anxious to report to him my conversation with Dulles. You might say to him further that I thought it important that there be no misunderstanding in Peking of American intentions. It was necessary for them to understand American long-range intentions but it was also urgently important that they understood the consequences of an attack on Quemoy or the Matsus. You might tell Nehru that I realize the danger that anything in the nature of a message to that effect passed from us to the Chinese Communists might well be interpreted by them as an attempt on our part to blackmail them on behalf of the Americans. If Nehru thinks, however, that it would do any good for him on his own initiative to report to Chou En-Lai what I have told him, he would not be betraying any confidence in doing so.

4. It is my conviction after my visit to New York that our best and possibly our only hope of avoiding hostilities is to persuade the Chinese Communists to restrain any attacks on the coastal islands and the Chinese Nationalists from using these islands for attacking the Communists. I realize that there may well be Nationalist provocation, but I believe that the American Administration is sincerely using its influence to hold back the Nationalists. I believe also that if hostilities can be avoided for a few months the Americans will use their best endeavours to clear up the anomalous position of the coastal islands and an atmosphere will be created in which we can hope for some progress towards a more permanent settlement. I have discussed this matter with the Prime Minister who knows that I am reporting to you in the above sense.

L.B. PEARSON

720.

DEA/50056-B-40

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

*Secretary of State for External Affairs
to High Commissioner in India*

TELEGRAM 101

Ottawa, February 19, 1955

SECRET

Repeat London No. 297; Washington EX-324; Permdel No. 71.

FORMOSA AND THE COASTAL ISLANDS

I have just returned from New York where I had a very important talk with Mr. Dulles during which he discussed Formosan and Far Eastern matters with great frankness and

⁸⁶ En décembre 1954, Pearson et Saint-Laurent ont prié Nehru d'intervenir auprès du gouvernement de la République populaire de Chine en faveur de plusieurs aviateurs américains condamnés à de longues périodes d'emprisonnement pour cause d'espionnage. Le Canada s'est trouvé, par la suite, dans une situation délicate en raison de « the wide difference in interpretation in New Delhi and Washington of the facts concerning the imprisoned airmen. » Ottawa à Washington, télégramme N° Ex-2313 du 13 décembre 1954, MAE/621-PT-40.

In December 1954, Pearson and St. Laurent asked Nehru to intervene with the government of the People's Republic of China on behalf of several American airmen sentenced to lengthy terms in prison for espionage. Canada was subsequently caught in the middle by "the wide difference in interpretation in New Delhi and Washington of the facts concerning the imprisoned airmen." Ottawa to Washington, Telegram EX-2313, December 13, 1954, DEA/621-PT-40.

sincerity but without any appearance of tension or excitement. In the course of the conversation I explained to him very candidly the views expressed on these subjects at the Commonwealth Conference in London and left him in no doubt of the anxiety displayed by all members at the Conference over certain Formosan developments, particularly over the possibility of the United States intervening to assist the Chinese Nationalists if they should be attacked on Quemoy or the Matsus.

2. Mr. Dulles accepted these views without surprise and explained the difficulties of the United States Administration in familiar terms with particular reference, of course, to their commitments to the Chinese Nationalists. I told him that I appreciated his problems but felt nevertheless that the Americans would be wise to take the risk of liquidating their obligations of assistance to the Chinese Nationalists so far as the coastal islands were concerned. Dulles felt, however, that they had gone as far as possible in present circumstances by getting them off the Tachens. He reminded me that their treaty with Nationalist China gave them powers to ensure that the coastal islands were not used for any offensive action. Indeed they would prevent the transmission of military material from Formosa to the islands for this purpose. He told me quite frankly that he would be delighted if these coastal islands could disappear and he hoped to persuade the Chinese in due course to withdraw from them by convincing them that the Nationalist Government had no future except on Formosa; that there was no possibility of their getting back on the mainland by force but that they had real opportunity to build up a strong and stable free government on Formosa. He told me that he had been working hard to convince George Yeh of this, telling him frankly that the Chinese Nationalists had no other future. That was the United States policy but it would take time and patience to work it out and their friends should understand their difficulties in this regard. Meanwhile however, he said, if the Chinese Communists attack the islands and if the Nationalists need help, the American Government would give it. If the Chinese Communists really wanted peace and he was not sure of this, why could they not refrain from any military action against the islands even if they had to maintain, as they would, their view that not only the islands but Formosa itself must eventually become part of China.

3. I then said that the situation seemed to boil down to this: we had American assurance that they would work for Nationalist China's withdrawal from the islands but that while this was in progress they would if necessary help the Chinese if they were attacked and asked for help. Meanwhile (he said he could give a 99% guarantee on this) they would prevent Chiang Kai-shek from using them for any offensive purpose. Therefore in the knowledge of this defensive policy, which is also one of ultimate withdrawal, those who had contact with the Chinese Communists should persuade them to take no military action against the islands. We would then have a *de facto* cease-fire and at least a chance of working out later some satisfactory solution.

4. Dulles agreed that this was the situation and hoped that Peking could be persuaded to act accordingly.

L.B. PEARSON

721.

CEW/Vol. 3176

*Le sous-secrétaire d'État adjoint aux Affaires extérieures
à l'ambassadeur aux États-Unis*

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

TOP SECRET

Ottawa, February 21, 1955

Dear Mr. Heeney,

Current developments in the coastal islands of China and what we have learned about U.S. intentions in the event that these should be attacked by Communist Chinese forces, have prompted the examination of the possible consequences for Canada if the United States Government were to become involved in hostilities with Communist China. A departmental paper has been prepared, in which some of these possibilities are analyzed. A preliminary discussion between Mr. Pearson and Mr. Campney took place on the basis of this paper on February 18. A copy of the departmental paper and notes on the discussions are attached. These notes have not been seen by the Ministers and have not been agreed with the Department of National Defence.

2. In view of the stated government position, which as you know was made clear to Mr. Dulles by the Minister in their meeting on February 16, that if hostilities were to develop over the coastal islands, the United States Government would likely have to act alone, the consequences for Canada have been examined in the limited context of certain precautionary measures which the United States Government may wish to take in the field of continental defence.

3. We recognize, of course, that the possible consequences, particularly of a political nature, may be wider than that. It may well be, for instance, that one of the principal considerations in the minds of the Communist leaders in pressing the issue of Formosa and the coastal islands at this time, is the desire to isolate the United States from her principal allies. This will obviously have repercussions upon NATO which are not being overlooked, but which are not considered in the present paper.

4. The desirability of taking every opportunity of impressing our American friends with the possible consequences upon their allies of any trouble they may get into over the coastal islands, was one of the main reasons why the Minister thought that the possibility of holding another meeting of consultation in the near future should be explored. Following telephone conversations between you and Mr. Léger and myself, the Minister has reconsidered the question of a meeting, and has decided that we should not ask for one at the present time.

5. It would be useful to us to have your comments on the enclosures to this letter.⁸⁷

Yours sincerely,

R.A. MACKAY

⁸⁷ Note marginale :/Marginal note:

This obviously requires serious consideration & probably our written views! [A.D.P. Heeney]

[PIÈCE JOINTE 1/ENCLOSURE 1]

Projet d'une note
Draft Memorandum

TOP SECRET

[Ottawa], February 17, 1955

PROBLEMS WHICH MIGHT BE POSED FOR CANADA, IF THE UNITED STATES
WERE TO BECOME INVOLVED IN HOSTILITIES OVER THE CHINESE
OFFSHORE ISLANDS

I. Background

Information has been received that there is a considerable concentration of Chinese Communist forces opposite the Matsu Islands, including a substantial number of planes and a large fleet of junks. There is a consequent possibility of United States air and naval forces in the area becoming involved in hostilities in support of Chinese Nationalist forces. Under the Congressional resolution, the President may employ United States armed forces not only to defend Formosa and the Pescadores, but also "such related positions and territories" as he judges to be necessary for that purpose. These include the offshore islands. From what is known about United States intentions, it seems likely that the United States military authorities would ignore harassing air raids and shelling against the islands. If the Chinese Communists attacked the islands, and if the Chinese Nationalists requested help,⁸⁸ the United States Government is expected to give it. It is understood that a formal National Security Council decision has been taken to that effect.⁸⁹ Because of the geographical proximity of these coastal islands to the mainland, there is a risk that action taken by United States forces in support of the Nationalists for the defence of the islands might extend hostilities to the mainland. This paper is intended as an analysis of the type of problems which might be posed for the Canadian Government in the event that the United States were to become involved in hostilities over the offshore islands and is not intended as an appreciation of the current situation or anticipated developments.

II. Possible Extent of Involvement of the United States in Military Action

Warlike activities arising from possible attacks by the Communist Chinese forces against the Matsu Islands⁹⁰ might lead to the following contingencies:

(a) local armed encounters limited to the Matsu Islands and involving the use of local United States forces only, acting in support of Chinese Nationalist forces to repel attempt at landing;

(b) extension of the armed encounters to the mainland, involving counter-action by local United States forces against concentrations of Chinese Communist ground, naval and air forces and supplies or "hot-pursuit" of Communist aircraft;

(c) general war between the United States and China.

(Because of the geographical location of these islands, contingencies 1 and 2 might tend to merge.)

⁸⁸ Note marginale :/Marginal note:
Needed [A.D.P. Heeney]

⁸⁹ Voir/See *FRUS, 1955-1957*, Volume II, p. 95.

⁹⁰ Note marginale :/Marginal note:
Coastal islands [A.D.P. Heeney]

III. *Possible Consequent Approaches to the Canadian Government from the United States Government*

Although the Sino-Soviet Treaty specifically provides for Soviet intervention only in the event of attack by Japan or an ally of Japan, it must be assumed that the possibility of Soviet support in the form of military intervention cannot be ruled out by the United States Government in their evaluation of the risks. This consideration presumably accounts for the caution with which the United States military authorities are conducting their activities in relation to the Chinese offshore islands. No precise information is available on Soviet intentions. The Malenkov administration was thought to be exercising a restraining influence on the Chinese Communists. The new Soviet Premier Bulganin, in a statement in Moscow on February 15, made at a reception marking the fifth anniversary of the Sino-Soviet Treaty of Alliance, said: "China knows it can look to us not only for sympathy but for help. This help will be forthcoming whenever necessary."

Possible United States approaches to the Canadian Government, therefore, will probably be based on the assumption that if the United States forces were to become involved in hostilities against the Chinese Communist forces, there would be at least a risk of Soviet military intervention. It must be assumed, therefore, that in addition to deployments of United States forces in support of any military action that may be undertaken against Chinese Communist forces in the area, the United States Government may take certain precautionary measures against the possibility of Soviet intervention.

The nature of the possible approaches which might be expected from the United States Government in relation to each of the contingencies set out under II above include the following:

Contingency 1 (fighting limited to the offshore islands):

- (a) request for overflight of Canadian territory for precautionary deployments of SAC aircraft and nuclear weapons to bases in Alaska;
- (b) precautionary alert of continental air defence.

Contingency 2 (extension of fighting to the mainland):

- (a) a full alert of continental air defence;
- (b) precautionary deployment of SAC aircraft and weapons to Goose Bay.

Contingency 3 (general war between the United States and China):

Request for co-operation in full mobilization measures of continental air defence and probable request for activation of base facilities, in addition to possible requests for overflights preparatory to making air strikes.

IV. *Canadian Attitude*

The Prime Minister defined the Canadian attitude in a statement in the House of Commons on February 14, when he said: "I should also like once more to emphasize this; Canada has no commitments regarding collective security in the Far East, and indeed no commitments of any kind in respect of the Formosa area except those which arise out of our membership in the United Nations." This statement confirmed the Government's attitude as first given by the Secretary of State for External Affairs in the House of Commons on January 25, when he said: "Although we are not involved in United States commitments in this area, we are of course deeply concerned over the dangerous situation existing there and we, with other free governments, are anxious that steps should be taken to bring to an end the fighting which has now been taking place for sometime along the China coast."

In the absence of any United Nations decision authorizing the United States to take military action in the defence of the offshore islands, and in the absence of any relevant treaty or collective security commitments binding Canada as indicated in these Government statements, it remains to examine to what extent, if any, Canadian interests or any principle are involved in determining what the reaction should be to the possible United States approaches outlined above.

It is difficult to identify any precise Canadian interests in the denial of the coastal islands to the Chinese Communists. The considerations governing United States interests in the islands appear to be political rather than strategic. The islands may have some tactical value as a site for early warning of attack from the mainland against Formosa and vice versa and for preventing Chinese Communist shipping from using the Formosa Strait. The military importance of the islands, however, is overshadowed by political considerations such as the possible effect of their loss on the morale of the Nationalists and upon United States prestige in the cold war.⁹¹

If the question of principle is taken as a determining factor, the main consideration which would seem to arise is the "inherent right of individual and collective self defence if an armed attack occurs against a member of the United Nations" (Article 51 of the United Nations Charter). If the risk of general war between the United States and Communist China were assumed to involve the risk of Soviet retaliation against the United States with nuclear weapons, the concept of collective self defence would presumably include the protection of United States nuclear retaliatory power as well as other measures of continental air defence. Thus, especially if there were any question of nuclear weapons being used in the event that the United States were to become involved in hostilities against Communist China, it would be difficult to distinguish between requests made by the United States Government to the Canadian Government which were related strictly to the hostilities with China, as distinct from precautionary measures which would have to be taken in anticipation of Soviet intervention.

The evidence available on the intentions of the United States Government, does not indicate the likelihood of the President authorizing the use of nuclear weapons in hostilities against Communist China. The President is on record with a number of statements showing his abhorrence of nuclear warfare, such as: "War would present us with only the alternatives in degrees of destruction, and there could be no successful outcome." The President, moreover, cannot be unmindful of the deplorable effect that the use of nuclear weapons against Communist China would have on Asian opinion. Nonetheless, the advantages that could be gained by striking the first blow in nuclear warfare are such that if the United States Government were to apprehend the possibility of Soviet intervention, they would almost certainly take certain precautionary measures to prepare their defences including their retaliatory atomic potential.

This possibility would pose the most serious problem to the Canadian Government, in that precautionary measures of the types envisaged might lead to a chain reaction of events which would tend to precipitate general war,⁹² if the Soviet Union were to interpret such precautionary moves as indicating a risk of imminent attack. It is imperative, therefore,⁹³

⁹¹ Note marginale :/Marginal note:
? Comment [A.D.P. Heeney]

⁹² Note marginale :/Marginal note:
? Secrecy? [A.D.P. Heeney]

⁹³ Note marginale :/Marginal note:
SAC [illegible] now? [A.D.P. Heeney]

that in the event that the United States were to become involved in hostilities against Communist China, every effort be made to limit such hostilities and to bring them to an end without precipitating general war. For this reason all precautionary measures of continental air defence would have to be taken in such a way as not to provoke Soviet reactions and to avoid as far as possible drawing public attention to them.⁹⁴

V. *Conclusions*

It would be premature to recommend any specific course of action in relation to the conjectural possibilities outlined above. As a basis for further consideration only and taking into account the arguments set out above, one possible course of action might be:

- (a) Accede to a request for the precautionary alerting of continental air defence;
- (b) accede to a request for overflights of Canadian territory for the limited purpose of precautionary deployments of SAC aircraft and weapons to Alaska and Goose Bay;
- (c) refuse overflights of Canadian territory, or the use of Canadian bases for the purpose of carrying out air strikes, and participation in any full mobilization measures for continental air defence, in the absence of a prior determination by the Canadian Government that general war is imminent.

[PIÈCE JOINTE 2/ENCLOSURE 2]

*Notes sur une discussion entre le secrétaire d'État aux Affaires extérieures
et le ministre de la Défense nationale*

*Notes on Discussion between Secretary of State for External Affairs
and Minister of National Defence*

TOP SECRET

[Ottawa], February 18, 1955

PROBLEMS WHICH MIGHT BE POSED FOR CANADA, IF THE UNITED STATES
WERE TO BECOME INVOLVED IN HOSTILITIES OVER THE CHINESE
OFF-SHORE ISLANDS

Present

General Foulkes, Mr. Léger, Dr. MacKay and Mr. Ignatieff.

The Ministers had as a basis for the discussion an External Affairs draft dated February 17, 1955, a copy of which is attached. These notes include comments on the various parts of the Departmental paper and the conclusions reached.

Background

Mr. Pearson said that Mr. Dulles in his talk with him on February 16 had confirmed the information about the concentration of Chinese Communist forces opposite the Matsu Islands. He had also given him the information about a formal decision of the National Security Council having been taken that, if the Chinese Communists attacked the coastal islands, and if the Chinese Nationalists requested help, the United States Government would give it. Mr. Pearson added that it was his understanding that as of that time this information had not been given to any other government.⁹⁵

⁹⁴ Note marginale :/Marginal note:
Yes [A.D.P. Heeney]

⁹⁵ Note marginale :/Marginal note:
? [A.D.P. Heeney]

General Foulkes confirmed the information about the concentration of Chinese Communist forces from military sources in Washington. Weather conditions at the present time were favourable for an attack on the offshore islands, with visibility poor. There was some indication also that the Communist Chinese had been preparing for such an attack in addition to the evidence of concentrations. For instance, call signs had recently been changed and some I.L. 28 bombers had apparently been obtained from the Soviet Union. The 7th United States fleet, which was the only element of the United States forces immediately available to give support to the Chinese Nationalists, was in a difficult position to carry out this task without available ground forces. They would presumably have to limit their intervention to supporting Chinese Nationalist forces by shelling, bombing and strafing. It could not, therefore, be assumed that the 7th fleet would be able to ensure the denial of the offshore islands with immediately available forces at this time of year. Mr. Pearson said that he had emphasized to Mr. Dulles that if the United States became involved in hostilities over the Chinese offshore islands, they would have to act without Canadian support; indeed they would likely have to act alone. If they were to intervene it would seem essential at least that such intervention would be justified from the United States point of view by an expectation that it would be successful; otherwise, the consequences on United States opinion as well as Nationalist morale would be serious.

Possible Extent of Involvement of the United States in Military Action

Mr. Léger asked whether the likelihood of hostilities being extended to the mainland was as great as indicated in the paper. Mr. Pearson said that if United States intervention was limited in the first instance to air and naval support, it was probable that armed encounters would extend to the mainland especially in the form of hot pursuit by United States aircraft.

Possible Consequent Approaches to the Canadian Government from the United States Government

With reference to the applicability of a Sino-Soviet treaty of alliance on the possibility of Soviet intervention in the event that hostilities developed between the United States and Communist China, Mr. Pearson observed that the Chinese might claim Soviet support under the treaty on the grounds that the United States is an ally of Japan under the bilateral security agreement. It was difficult to say, however, what would be the reaction of the new administration in the Soviet Union.

Canadian Attitude

Mr. Pearson confirmed that judging from what Mr. Dulles had said to him, political rather than strategic considerations governed United States interests in the coastal islands. Mr. Dulles had particularly stressed the possible effect of the loss of these islands on the morale of the Nationalists.

On the possibility of the United States using nuclear weapons in the event that they were engaged in hostilities against Communist China, Mr. Pearson asked whether the United States might not use tactical weapons, if the U.S. military authorities on the spot had them available. General Foulkes said that it was quite probable that tactical weapons were available to the 7th fleet.

Precautionary Alert of Continental Air Defence

Mr. Campney stressed that any precautionary measures would have to be taken in such a way, if possible, so as not to provoke Soviet reactions. General Foulkes outlined some of the difficulties of instituting even precautionary alert measures without some public attention being drawn to them. Present staffing of the early warning system was incomplete and

he would have to ask the Chief of the Air Staff whether a precautionary alert could be instituted without calling up reserves. It would be difficult to call up reserves without drawing public attention to the alert measures. Consideration might be given to instituting exercises as a cover plan for such precautionary alert measures. It would also be necessary to restrict civil air traffic. Goose Bay might present a special problem since under conditions of alert it would have to revert to being a military airport. The United States might also wish to station extra interception squadrons there for its protection. Again it might be possible to do something in relation to Goose Bay under cover of an exercise. General Foulkes said it was desirable to review the possible effect on Canada of precautionary alert measures (in continental defence) which may be desired by the U.S.

Precautionary Deployments

If the United States wish to make precautionary deployments to Alaska and requested the right of overflight of Canadian territory, Edmonton would lie on the probable route. To avoid drawing public attention to such precautionary deployments, it might be necessary to persuade the United States to avoid Edmonton and make overflights on other routes. If it was envisaged that refusal would be given to the use of Goose Bay as an air base from which air strikes could be made in the event that the United States were at war and Canada was not at war, there would seem to be grounds for denying the right to make precautionary deployments of SAC aircraft and weapons to Goose Bay. It would make more sense from the United States point of view if all such precautionary deployments were directed to Alaska. General Foulkes said that it was obviously desirable to review existing procedures covering the authorization of United States aircraft.

The Effects of United States Precautionary Measures on Countries Other than Canada

Mr. Pearson said that the discussion had indicated that despite the fact which he had emphasized to Mr. Dulles that the United States would likely have to act alone if hostilities developed over the offshore islands, the consequences of such trouble would seem to inevitably involve other countries. He asked what effect precautionary measures might have on the United Kingdom. General Foulkes said that problems would not arise in the same way in the United Kingdom, as they would not be involved in continental air defence precautionary alerts and the United States airfield bases in the United Kingdom were for use in support of SACEUR under NATO. Mr. Léger said that if the United States were to become involved in hostilities with Communist China the consequences could not be localized. If Canada were to be affected by precautionary measures of the type suggested, why should not other NATO allies? Mr. Pearson suggested that this was particularly relevant to an appreciation of the imminence of war and asked what the relation of these precautionary alerts might be to the question of the United Kingdom proposals for alerts and NATO alerts.⁹⁶ General Foulkes said that the question of the relation of the United Kingdom alert proposals and the NATO alert system was currently under consideration. Mr. Pearson asked whether consideration should not be given to having another of the series of meetings of consultation in Washington on the risks of war. General Foulkes said that this might give him an opportunity of talking frankly with Admiral Radford about the whole question of precautionary measures. Mr. Léger said that he would consult Mr. Heeney about the desirability of holding such a meeting in the immediate future. It was recognized that there was a justification for further consultation with the United States authorities not only because of the risk of the United States becoming involved in hostilities, but also because Canada would be faced with a totally new situation in those circumstances. The

⁹⁶ Voir/See Document 168.

United States would be at war and Canada not at war, and a whole set of new problems would evidently arise in connection with United States precautionary moves, especially against the possibility of Soviet intervention.

Conclusions

(1) It was agreed that notes on the discussion should be prepared, to be attached to the External Affairs paper;

(2) that this record and the Departmental paper should be sent to the Canadian Ambassador in Washington for his information and comments;

(3) that Mr. Léger would explore with Mr. Heeney the advisability of holding another meeting of consultation in Washington;

(4) that General Foulkes would explore the possible effect of United States precautionary alert measures on Canada; and

(5) that a review should be made of existing arrangements for authorizing United States flights.

722.

DEA/50056-B-40

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

*High Commissioner in India
to Secretary of State for External Affairs*

TELEGRAM 108

New Delhi, February 22, 1955

SECRET. IMMEDIATE.

Reference: Your telegrams No. 100 and 101 of February 19.

FORMOSA AND THE COASTAL ISLANDS

Your telegrams arrived February 21 when I was in Kanpur for the inauguration of the Canadian Cultural week. On my return this afternoon, February 22, I saw the Secretary-General at six and the Prime Minister at seven at his residence, each for about twenty-five minutes.

2. I gave Nehru and Pillai orally your views as set forth in paragraphs 3 and 4 of telegram No. 100 omitting, of course, the first sentence of paragraph 3, and I gave them the text of telegram No. 101. I emphasized you were not making any request of Nehru but that he would not be betraying any confidence if he passed on to Peking your report of your conversation with Dulles.

3. On first reading your telegram Nehru said that in a sense it contained nothing new about Dulles' views since in his public statements Dulles had already said by inference that the United States wanted the Chinese Nationalists to withdraw from the coastal islands. He was sure the Peking Chinese knew that if they attacked the coastal islands the United States would, if necessary, assist the Nationalist régime to resist. Indeed, he thought the Peking régime believed that the Americans wanted an excuse for launching attacks on the mainland not, of course, by landing large numbers of men. I suggested it was important they should be disabused of this idea. Nehru said that he believes that the Americans are afraid of the Nationalist régime collapsing because of the lack of support for it in Formosa and he analyzed, in terms which are no doubt familiar to you, the internal opposition in

Formosa to the régime. I said I assumed that if the Americans did believe this, this would be the reason they did not feel they could push the Nationalist régime too fast in getting out of the coastal islands.

4. Nehru said that one main difficulty in finding a way out of the present situation is that there are no signs of any progress being made toward a more permanent settlement. India had suggested that the Security Council might ask the Soviet Union, the United Kingdom and India to explore what might be done to reach a more permanent settlement, possibly by the holding of a conference. No one had turned this suggestion down but it had not yet been taken up. I assume that what Nehru meant was that it would be easier to persuade the Peking régime to take no military action against the coastal islands if Peking had something more definite to go on than the assurance contained in your telegram that this would result in a *de facto* cease-fire which would provide a chance of working out some satisfactory solution. The something more definite might, for example, be concurrence in India's suggestion about Security Council action.

5. Nehru was very agreeable and relaxed but made no commitment as to what he might do.

6. Pillai picked up your phrase that the Chinese Nationalists should be persuaded to refrain from using the coastal islands "for attacking the Communists" and that there might be "Nationalist provocation". He said it was not enough for the United States to persuade the Chinese Nationalists from using the coastal islands for attacking the Communists. The United States must persuade the Chinese Nationalists not to use Formosa as well as the islands for attacking the Communists. They must also insist that the Chinese Nationalists stop the petty incursions by air over mainland territory which do them no good but merely provoke the Chinese Communists. It is not possible for the Chinese Communists to distinguish between those attacks or petty incursions which originate in the islands and those which originate in Formosa. Chou En-Lai had mentioned the incursions to Nehru on his visit to China. (You will recall that the Chinese Communists alleged that the reason they had to divert Nehru's plane inland was to keep out of the way of Chinese Nationalist aircraft operating along the coast.) It was one thing, Pillai said, for the United States to say it could not immediately get the Chinese Nationalists out of the coastal islands. They should, however, be able to stop the Chinese Nationalists from using either the islands or Formosa for raids on the mainland. The United States must stop the Nationalists from being provocative. He concluded by saying that certainly India would have a better chance of persuading the Chinese Communists to refrain from attacking the coastal islands if India could tell the Peking régime that the Chinese Nationalists had now stopped both offensive operations and petty incursions. One type of petty incursion he mentioned was pamphlet dropping or dropping of agents.

7. After Nehru and Pillai have had a chance to think over your message I expect I will be receiving some more comments from them.

[E.] REID

723.

DEA/50056-B-40

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

TELEGRAM 125

New Delhi, February 22, 1955

SECRET. IMMEDIATE.

Reference: Our telegram No. 108 of February 22.

FORMOSA AND THE COASTAL ISLANDS

The Acting United Kingdom High Commissioner gave me today orally a brief summary of the telegrams he has received recently. It seems to me that the line that Dulles took with Eden on February 24 is not consistent with the line which he took with you on February 16. On February 16 he was in essence promising ultimate Nationalist withdrawal from the coastal islands if the Communists would take no military action against the islands. On February 24 he was, I understand, adding to these demands that the Communists should renounce the use of force as a method of acquiring Formosa. Moreover, the remarks of the Admiral who was with Dulles cast doubts on the willingness of the United States to take effective measures to secure the withdrawal of the Nationalists [sic] forces from the islands.

2. My impression is that Nehru took no action as a result of my call on him on February 22. This is perhaps fortunate since the receipt by Peking of two not wholly consistent versions of United States policy, one from you and one from Eden, could have deepened their suspicions of the United States. Moreover, Nehru's usefulness as a go-between might have been diminished.

3. As, Eden seems to think, there is danger that atomic warfare may break out in the Far East, it is clearly essential that the Chinese Communists do not receive conflicting or confusing accounts of United States policy. Has not the time come for an unambiguous message from President Eisenhower to Mao Tse Tung transmitted either through Nehru or Hammarkjold?

4. I suggest that any message from Eisenhower to Nehru should be transmitted either through the United States Chargé d'Affaires here or the Indian Ambassador in Washington and not through a third country.

5. If Nehru is to be asked to transmit such a message, there would be advantages if he received it before Eden leaves here early on March 4.

[E.] REID

724.

DEA/50056-B-40

*Le sous-secrétaire d'État aux Affaires extérieures
au haut-commissaire en Inde*

*Under-Secretary of State for External Affairs
to High Commissioner in India*

LETTER Y-176

Ottawa, March 1, 1955

CONFIDENTIAL

Similar letters to Tokyo No. 179; Paris No. 246; Moscow No. 92.

PROVISIONAL INTERNATIONAL RÉGIME FOR THE FORMOSA STRAIT

Enclosed is a copy of a Departmental Memorandum dated February 25, which outlines a suggestion for a "Provisional International Régime for the Formosa Strait".

2. Some preliminary thoughts on this subject were outlined in a telegram which was sent to the Minister during the meeting of Commonwealth Prime Ministers. He mentioned the suggestion informally to some of those there. Later, the suggestion was further developed. When in New York on February 15 and 16, Mr. Pearson outlined the suggestion orally and informally to Sir Pierson Dixon, the United Kingdom Permanent Representative, and Sir Leslie Munro of New Zealand. Following this discussion, the Minister said that he thought that it might be useful to have this tentative proposal examined further by some of our friends to see whether it might contain a suggestion as to a way of approaching a provisional agreement that would deal with the immediate problem of stopping armed hostilities in the area. Accordingly, copies of this Departmental Memorandum were conveyed to the United Kingdom, Australian and New Zealand authorities in Ottawa, London, Washington and New York on a confidential and informal basis with a request for their comments. It was explained that this should not be regarded as a formal Canadian proposal but rather as an idea for the pot.

3. The proposal as presently outlined makes no mention of the United Nations because of the Chinese Communist rejection of the Security Council's invitation. If the proposal should prove acceptable to the Chinese Communists consideration could be given to a possible Security Council resolution asking the three proposed Commission powers to use their good offices, or even to rewording the joint declaration as a Security Council resolution.

4. The proposal also does not attempt to deal with the longer-range problem of the Chinese civil war, the future of Formosa and ways of relaxing tension in the Far East. If this proposal is tried on the Chinese Communists they may wish to tie arrangements to grapple with some of the long-range problems to acceptance of the provisional régime. It would be necessary to be prepared to take a position on any such proposal.

5. For the time being we are not proposing to enlarge the group of those discussing this suggestion, however, we wished you to be in possession of a copy of the Memorandum in case it is taken up. Naturally, we would welcome any comments or suggestions which you would care to make.

A.R. MENZIES
for Under-Secretary of State
for External Affairs

[PIÈCE JOINTE 1/ENCLOSURE 1]

*Note**Memorandum*

CONFIDENTIAL

[Ottawa], February 25, 1955

PROVISIONAL INTERNATIONAL RÉGIME FOR THE FORMOSA STRAIT

Current exploratory diplomatic discussions regarding the threat of hostilities in the Formosa Strait are directed toward (a) securing some sort of tacit understanding between the possible belligerents that they will refrain for the time being at least from attacking each other; and (b) considering a possible international conference where more permanent solutions could be discussed. But an unwritten truce is an uneasy truce. It is desirable, therefore, to explore every hopeful path that might lead to something more secure in the way of a written agreement. It will be difficult to overcome the reluctance of the Chinese Nationalist and Chinese Communist Governments to sitting down together at a conference and to putting their signatures side by side to a single agreement. This paper, therefore, suggests the device of employing a joint declaration in which three proposed international commission powers offer their services to supervise a provisional international régime for the Formosa Strait. The régime would come into force when a named list of governments had deposited instruments of acceptance with one of the three proposed commission powers.

2. Attached to this memorandum is a Draft Joint Declaration Regarding a Provisional International Régime for the Formosa Strait which provides for:

- (a) peaceful evacuation of the coastal islands;
- (b) neutralization of the Formosa Strait for a period of two years

under the supervision of an International Commission.

3. The purposes of the proposed declaration can only be achieved without the threat or use of force if the Chinese Communists are offered some inducements to accept it. It is desirable to endeavour to convince the Chinese Communists that certain tangible advantages would accrue to them from accepting a written "agreement" of this kind that they cannot have if they only accept a tacit understanding. The proposed declaration has been drawn so as to offer them the following inducements:

- (a) it enables them to take over control of the coastal islands with civilian facilities intact;
- (b) it leaves their coastwise shipping free from attack by the Nationalist Navy and permits them free use of the ports of Amoy and Foochow;
- (c) it eliminates Nationalist raids on the mainland and eliminates air dropping of agents on the mainland;
- (d) it gives assurance that no action prejudicial to the general Chinese claim to sovereignty over Formosa and the Pescadores will be taken during the life of the instrument, i.e. no new special international legal status for Formosa.

4. The proposed declaration might be considered in principle by the Americans for possible application at the time they think that the Nationalists should be persuaded to withdraw from the coastal islands. This would leave for negotiation the question of when the régime might be brought into force. In this context the proposed declaration might have some appeal to the United States Government since:

- (a) it would internationalize responsibility for getting the Nationalist forces out of the coastal islands;

(b) it would internationalize responsibility for guaranteeing Formosa against attack for 2 years and yet would not interfere with the United States security treaty with the Nationalist Government.

5. The proposed declaration would fall short of meeting the wishes of the Chinese Nationalists, but would correspond to the actual situation in which they may expect to find themselves in a few months' time when the Americans decide to try to persuade them to evacuate the coastal islands and it would have certain practical advantages for them then:

(a) it permits peaceful evacuation of forces from the coastal islands under face-saving international arrangements;

(b) it guarantees Formosa and the Pescadores from attack from the mainland for 2 years;

(c) it respects the general Chinese claim to sovereignty over Formosa and the Pescadores.

6. This proposal hangs on its acceptability to the Chinese Communists and the United States and Chinese Nationalists. Some of the arguments that might be used in putting the proposal to these interested parties are outlined above. The technique envisaged of having an offer made by third parties conditional on acceptance by the interested parties may have some interesting possibilities. The substantive articles could be modified by diplomatic negotiation. If a proposal of this kind could be put forward to the Chinese Communists through the Indians or to the Russians through the United Kingdom it might help to keep the door of negotiation open and might also serve to smoke out whether the Chinese Communists would be prepared to accept any sort of written "agreement".

[PIÈCE JOINTE 2/ENCLOSURE 2]

Note

Memorandum

CONFIDENTIAL

[Ottawa], February 25, 1955

DRAFT JOINT DECLARATION REGARDING A PROVISIONAL INTERNATIONAL
RÉGIME FOR THE FORMOSA STRAIT

1. The Governments of India, New Zealand and the United Kingdom of Great Britain and Northern Ireland,

Conscious that the occurrence of armed hostilities in the Formosa Strait constitutes a situation, the continuation of which is likely to endanger the maintenance of international peace and security;

Desiring the termination of these armed hostilities;

Desiring to promote a relaxation of international tension in the Far East so that the solution of the problems of the area may be approached in a more peaceful atmosphere;

Agree to establish an International Commission for the Formosa Strait to supervise a provisional international régime for the Formosa Strait as set forth in this instrument.

2. All armed hostilities in the area of the Formosa Strait shall cease from noon local time two days after the coming into effect of this instrument.

3.(a) Within 90 days of the coming into effect of this instrument the Government of the Republic of China shall withdraw all its armed forces from all the coastal islands.

(b) Within 105 days of the coming into effect of this instrument the Government of the Republic of China shall transfer administrative control over these islands to the International Commission.

(c) Within 120 days of the coming into effect of this instrument the International Commission shall transfer administrative control over these islands to the Government of the People's Republic of China.

(d) During phase (a) and (b) fortifications may be destroyed only with the approval of the International Commission. All public property and buildings, utilities, private residences and other facilities of a peaceful nature shall be preserved.

4. A neutral strip 20 nautical miles wide under the supervision of the International Commission shall be established down the centre of the Formosa Strait, as outlined in Annex A.† Governments signing or accepting this instrument undertake for a period of two years from the coming into effect of this instrument not to permit any war vessels or military aircraft under their control to infringe the waters or airspace of the neutral strip.

5. Unarmed vessels or aircraft may pass through the Formosa Strait without hindrance provided that if they enter the neutral strip (a) they shall submit when requested to inspection by the patrol vessels or aircraft designated by the International Commission to carry out its supervisory functions; and (b) they shall not engage in any activities considered by the International Commission to be inimical to the maintenance of this agreement.

6. For the duration of the present provisional régime the Governments signing or accepting this instrument undertake not to enter into any agreement or take any action which would be prejudicial to the Chinese claims to sovereignty over Formosa and the Pescadores, or involve recognition of any change in the international status of these territories.

7. This instrument will come into force when instruments of acceptance are deposited with one of the proposed Commission Governments by the Governments of the People's Republic of China, the Republic of China, the Union of Soviet Socialist Republics and the United States of America. In order to ensure respect for this provisional régime the proposed Commission Governments invite other interested Governments to accept this instrument also.

725.

DEA/50056-B-40

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

*High Commissioner in India
to Secretary of State for External Affairs*

TELEGRAM 137

New Delhi, March 2, 1955

CONFIDENTIAL. IMMEDIATE.

Reference: My immediately preceding telegram.†

FORMOSA AND THE COASTAL ISLANDS

1. I had a talk this morning, March 2, with R.K. Nehru, the Foreign Secretary. He said the most important development of the last week or so was that the Peking Government had made it clear (I assume to India) that they were incensed over the way in which the evacuation of the Taichen had proceeded. According to Peking the Nationalists had

destroyed everything and had taken away the whole population. On the basis of what Peking had said the Foreign Secretary thought it was doubtful that Peking could stand idly by if the Nationalists attempted to do the same thing when evacuating Quemoy and Matsu.

2. A second development which had aroused feeling in Peking was the holding of the Bangkok conference.⁹⁷ It was obvious to Peking that the conference was directed against them and it was possible it might appeal to the co-chairman of the Geneva conference on the ground that the activities of SEADO constituted a violation of the Indo-Chinese settlement. The timing of the Bangkok conference was certainly unfortunate.

3. The Foreign Secretary was not surprised by the statement made by Prime Minister U Nu of Burma that the Peking Government wanted direct negotiations with the United States. The Foreign Secretary said the Chinese Communists "had always wanted this". I assume that Peking has told the Indians of the message they gave Hammarskjold on this. The Foreign Secretary explained that Peking considers Chiang as merely an agent of the Americans and wishes to negotiate with the principal, not the agent.

4. The Foreign Secretary contended with me, as he did a few days ago with the Acting United Kingdom High Commissioner, that for Commonwealth countries to support what appears to be the present United States line on the coastal islands is to retreat from the position they unanimously took in London. He quoted to me from the minutes of, I think, the last meeting when there was a discussion on Formosa.⁹⁸ These minutes, he said, made it clear that the Prime Ministers were agreed that the evacuation of Quemoy and Matsu should take place as soon as possible and that the only *quid pro quo* that should be sought from Peking was that it should not interfere with the evacuation. Now the Americans were demanding that as a condition precedent to the evacuation of the islands, Peking should make a public declaration that it renounced the use of force in its efforts to liberate Formosa.

5. He said the reason the Americans wanted this public declaration was to help to save Chiang's face since they feared that unless his face was saved his régime would collapse. I said I could not see how the declaration would do much to save Chiang's face.

6. I took advantage of this opening to try to draw him out on the Indian analysis of the internal opposition in Formosa. The impression he gave me was that the Indians have no independent source of information about Formosa and that their analysis is based mainly on recent articles in the American press by Lipman, Alsop and others and perhaps by statements made to the Indians by Peking that it is certain that in course of time the régime in Formosa will collapse. The Foreign Secretary said that the Chinese army in Formosa wanted to go back to the mainland and once it was clear they could not go back to the mainland as an invading army the members would want to go back by making their peace with Peking.

7. The Foreign Secretary believes that Peking will never agree to the two-nation theory of two Chinas, but that it will continue to insist that Formosa is part of China and that by doing this it will make more likely the collapse of the Formosan régime.

8. The Foreign Secretary said that he was in the midst of preparing a note for the Prime Minister for his talks with Eden who arrives this afternoon. He went on to say that one

⁹⁷ Les puissances de l'ODASE se sont réunis pour la première fois à la Conférence de Bangkok, du 23 au 25 février. La situation de Formose figurait au nombre des dossiers abordés.

The Bangkok Conference of February 23-25 was the first meeting of the SEADO powers. The Formosa situation was among the issues discussed.

⁹⁸ Voir/See Document 243.

point he was mentioning was the failure to go ahead with a Locarno type agreement on South East Asia. It may therefore be that Prime Minister Nehru will bring this matter up with Eden reminding him that India had indicated its willingness to enter into such an agreement, that India had taken soundings of Peking who also seemed willing and presumably concluding that if this kind of agreement had been entered into and not the Manila treaty the international situation in this part of the world would be much better.

9. While I am by no means certain about this, my impression of the line which Prime Minister Nehru may take with Eden is

(1) The British and the other friends of the United States should stick to the position taken by the Commonwealth countries in London that the first step towards the settlement of Far Eastern questions is the evacuation of the coastal islands after private assurances have been received from Peking that it will not harass the withdrawal and that this evacuation should take place very quickly.

(2) If, as stated by Peking, the evacuation of the other islands was accompanied by scorching the earth and withdrawing all the inhabitants, Peking has a right to protest and a right to be assured that this will not take place during the evacuation of Quemoy and Matsu.

(3) It is irresponsible of the United States to run the risk of war with the Chinese over the coastal islands even though their evacuation may so weaken Chiang's régime that it may collapse and be succeeded by a régime which is willing to come to terms with the mainland and join it.

[E.] REID

726.

DEA/50056-B-40

*Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis*

*Secretary of State for External Affairs
to Ambassador in United States*

TELEGRAM EX-398

Ottawa, March 2, 1955

CONFIDENTIAL. IMMEDIATE.

Reference: Our Letter No. Y-89 of February 25.⁹⁹

PROVISIONAL INTERNATIONAL RÉGIME FOR THE FORMOSA STRAIT

The Minister is considering referring to this suggestion in his review of External Affairs to Parliament Thursday afternoon, March 3, in the following terms: Begins:

QUOTE. In regard to this immediate problem of an assured ceasefire, I wonder if we might gain general acceptance for a provisional arrangement whereby an international commission might supervise a ceasefire providing for the evacuation of Nationalist troops from the coastal islands in a fixed period of time and then supervise the neutralisation of the Formosa Strait. For this purpose a twenty-mile wide strip of the high seas down the centre of the Formosa Strait might be charted. The governments in that area might be asked to undertake for a period of say two years not to permit any war vessels or military aircraft under their control to infringe the waters or airspace of the neutral strip.

⁹⁹ Voir/See Document 724.

A provisional régime of this kind would depend on its acceptability to all the principally interested governments. It would have advantages and disadvantages for each. But if something of this kind was accepted it would help to create the appropriate atmosphere for the negotiation of the longer-range problems of the Far East that also require resolution if we are to secure the peace. UNQUOTE. Ends.

2. I would be grateful if, as a matter of urgency you would tell the State Department that he has this thought in mind and let them have the proposed text. At that time you should also give copies of our Memorandum of February 25 to the State Department. We would be grateful to have their comments as soon as possible.

3. My immediately following telegram contains the text of Canada House telegram No. 268 of March 2† reporting preliminary Foreign Office reactions.

727.

DEA/50056-B-40

*L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures*
*Ambassador in United States
to Secretary of State for External Affairs*

TELEGRAM WA-356

Washington, March 3, 1955

CONFIDENTIAL. IMPORTANT.

Reference: Your telegram EX-398 of March 2.

This message will record my telephone conversations with you and the Under-Secretary yesterday and this morning.

2. The draft statement which you were considering using in the course of the External Affairs debate, (the text of which was contained in your telegram under reference) was passed yesterday afternoon to the State Department at several levels. The draft statement alone was given to Murphy. The draft statement with an oral explanation based on the memorandum enclosed with the Under-Secretary's letter No. Y-273 of February 25 was given to Director of the State Department's Office of Chinese Affairs. He [Walter P. McConaughy] in turn brought it to the attention of Mr. Hoover, the Acting Secretary. Because of the amended instructions received in my telephone conversation with the Under-Secretary, a copy of the departmental memorandum was not given to the State Department.

3. As I informed you over the telephone this morning, the Acting Secretary's reply was given to us through McConaughy late last night. The reply was to the following effect — Hoover asked if you could be informed that he would be greatly appreciative if your mention in the House of Commons of the idea of an international régime in the Formosa Straits could be delayed until the Secretary of State had had an opportunity to comment on the proposal after his return to Washington this week-end. Hoover was inclined to believe that it might be premature to put forward such a scheme for internationalizing the straits at this time. He said he was unable, however, to give us the reaction of the United States Government in Dulles' absence. He offered assurance that your proposed statement would be brought to Mr. Dulles' attention as a matter of urgency when he returned to Washington.

4. Murphy called me later (without having had an opportunity to speak to Hoover). His personal reaction was similar to Hoover's. This idea of an international régime for the straits was an interesting one, but he wondered if this was the time for it to be put forward.

He thought it unlikely that it would appeal to the Nationalist Chinese upon whose forces the United States had to count. He hoped that more time would be given to all concerned for its consideration.

5. Acting on the instructions which you gave me by telephone this morning, I informed Hoover that you had decided not to make reference to the idea of an internationalization of the Formosa Straits if you had to speak on the subject this week. I did not mention that you had been influenced in this decision by the "brush off" which had been given Eden by Peking. I said that it now seemed likely that the debate on external affairs would go over to Monday. You would still wish to have Dulles' reactions soon after his return. I added that you did not regard the idea of an international régime as a cure-all likely in present circumstances to be acceptable to all. You had been searching for some constructive suggestion to be included in your statement, something which might be of assistance in easing the tension; at some later stage the idea you had in mind might acquire merit as a way out of the present dangerous situation.

6. I was assured again that the State Department would promptly bring your suggestion to Dulles' attention when he returned to Washington. The hope was expressed that Dulles' reactions could be made known to you early next week. The State Department again, as it had done yesterday, expressed the appreciation of all concerned that you had brought your suggestion to their attention and had permitted them to offer comments.

7. As I mentioned above, I did not give to the State Department a copy of the departmental memorandum enclosed with letter Y-273. You instructed me on the telephone today not to circulate the departmental memorandum to my Commonwealth colleagues as previously directed. I understand that distribution in the other interested capitals and in New York would also be withheld. We shall be sending you our own observations on the substance of the memorandum within a day or so.

A.D.P. HEENEY

728.

DEA/50056-B-40

*Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis*

*Secretary of State for External Affairs
to Ambassador in United States*

TELEGRAM EX-425

Ottawa, March 7, 1955

CONFIDENTIAL. IMPORTANT.

Reference: My telegram, March 4,† EX-410 to Washington, No. 375 to London.
Repeat London No. 391.

PROVISIONAL INTERNATIONAL RÉGIME FOR THE FORMOSA STRAITS

For Ambassador, Begins: It seems to me to be clear now that not much would be accomplished by attempting to pursue at this time any proposal for neutralization either of Formosa or the Straits, and, therefore, we should go easy in regard to discussing our ideas on this matter. I do not wish Mr. Dulles to feel that he is under any obligation to spend time examining or giving us his views on the proposals which you have, at our request, been discussing with the State Department. I am a little worried that they might be taken more

seriously in Washington than was our intention, or that anything might leak out which would be designated as a Canadian peace proposal.

[L.B.] PEARSON

729.

DEA/50056-B-40

*Le représentant permanent auprès des Nations Unies
au secrétaire d'État aux Affaires extérieures*

*Permanent Representative to United Nations
to Secretary of State for External Affairs*

TELEGRAM 167

New York, March 7, 1955

CONFIDENTIAL

Repeat Washington No. 93.

FORMOSA AND THE COASTAL ISLANDS — SECURITY COUNCIL ACTION

I called on Munro (New Zealand) this morning to inquire about the latest developments with regard to the New Zealand initiative. Munro told me that he would go to Washington tomorrow and that he hoped to see Mr. Dulles within a day or two on this question. He would then have more definite information which he would pass on to us.

2. In the meantime about all Munro could say was that his Minister, Mr. MacDonald, had discussed this question with Mr. Dulles in Bangkok. At that meeting Mr. Dulles had made it clear that he thought that the New Zealand initiative should not be abandoned. If New Zealand did not wish to proceed, then Mr. Dulles had indicated that the United States would probably wish to take the initiative. Munro did not know whether Mr. Dulles would wish to make any changes in the agreed draft resolution or whether in the face of an expected Soviet veto he would nevertheless wish to have the resolution voted upon.

3. I asked Munro whether or not he had received definite instructions from his government to proceed with the New Zealand initiative. He replied that the matter was still under consideration by his government. New Zealand's difficulties would be resolved if the United Kingdom and the United States agreed either (a) that New Zealand should proceed with the initiative or (b) that the initiative should be abandoned. Munro did not know what his instructions would be if the United Kingdom were opposed to proceeding with the initiative and if the United States decided to proceed with the initiative if New Zealand failed to do so. This obviously would place New Zealand in an embarrassing position. Munro hoped to see Mr. Menzies about this matter this afternoon. As Australia had never been enthusiastic about the New Zealand initiative, Munro did not expect support from them now.

4. Munro then asked me what your views were about further action in the Security Council along the lines originally proposed by New Zealand. I replied that when you were in New York your view, if I remembered it rightly was that, without the presence of a representative of Communist China, you would not favour a full dress debate in the Security Council on this issue when a resolution would be introduced and put to a vote. I thought that you had also said that there would not be the same objection to a meeting of the Security Council at which, without a prolonged debate, a resolution would be tabled but would not be put to a vote. This would indicate the action which New Zealand had in mind when it placed the item on the agenda and sponsored an invitation to Communist China.

Munro said that he would, however, be interested in our latest thinking on this question. It obviously gives him concern that New Zealand may be under pressure to take action which will not carry the judgment of some members of the old commonwealth.

5. Munro told me that he, Laking and their wives were the sole foreign guests at a dinner given by Zarubin on March 3. Though nothing very startling emerged from a long conversation which Munro had with Zarubin, he nevertheless thought that you might be interested in reading his account of that conversation. He has promised to let me have sometime tomorrow a copy of a report which he is making to his government.

D.M. JOHNSON

730.

DEA/50056-B-40

*Le secrétaire d'État aux Affaires extérieures
au représentant permanent auprès des Nations Unies*

*Secretary of State for External Affairs
to Permanent Representative to United Nations*

TELEGRAM 95

Ottawa, March 11, 1955

SECRET. IMPORTANT.

Reference: Your telegram 167 of March 7.

FORMOSA AND THE COASTAL ISLANDS

We are not particularly impressed by the arguments which have been advanced for a further Security Council meeting on Formosa. From a formal point of view it is, of course, undesirable that a non-member government should be able to prevent the Security Council from taking action. However, by maintaining their present attitude the Chinese Communists can prevent the Security Council from taking the type of conciliatory action we would like to see, and there is something to be said for not making this fact too obvious by further meetings. From the report of Hayter's meeting with Molotov on February 26 it appears that the Soviet Union is not anxious for further United Nations action now.

2. A further consideration is the fact that the Western Powers are divided on the Formosa issue, and a Security Council discussion may serve to make public our divisions. Furthermore, suggestions such as the despatch of a peace observation team to Formosa may be made, which would cause embarrassment. The argument put forward by Dulles that another Security Council meeting would keep up the pressure of world opinion on Peking does not, in my view, outweigh these considerations. Accordingly, for the time being I am in favour of continuing the attempts to find out through diplomatic channels if a basis exists for negotiation, even though these attempts have been very discouraging, to say the least.

3. If it is decided that the Security Council should meet, there would be no particular harm in tabling the New Zealand draft resolution. I have had another look at it and have no changes to propose. It may also be suggested that the Council should designate India, United Kingdom, and Soviet Union to explore the possibilities of a settlement. This proposal was originally put forward by Nehru to Eden on February 11. Molotov indicated an interest in the idea in a conversation with Hayter on February 26, but he said that the three powers should not act under United Nations auspices. Appointment of such a committee of good offices might well be the best step for the Security Council to take, if it meets.

4. As we are not on the Security Council, I see no need for us to play a leading role in discussions as to its further moves. You may, however, give these views to Munro and to any others who ask for them.¹⁰⁰

[L.B.] PEARSON

731.

DEA/50056-B-40

*L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures*
*Ambassador in United States
to Secretary of State for External Affairs*

TELEGRAM WA-516

Washington, March 29, 1955

TOP SECRET

Reference: Our telegram WA-509 of March 29.†

FORMOSA AND THE COASTAL ISLANDS

Last night (March 28) a member of the staff had a conversation with Marquis Childs (a *Washington Post* and *Times Herald* columnist well known to you and whom we consider reliable) about the private briefing given by Admiral Carney, Chief of the Naval Staff, on Thursday, March 24, to some fifteen Washington newspapermen. Childs said that he had been trying to arrange an interview with Admiral Carney for some time. Last week he had a telephone call from the Admiral's aide, who said that Carney would be willing to meet with a select group of newspapermen at dinner on March 24 and suggested a list of those to be invited. At this prompting, Childs agreed to arrange the dinner.

2. Childs said that Admiral Carney's main theme was that the Chinese Communists would almost certainly attack the offshore islands within the next few weeks and that the United States had inadequate forces for the large-scale war in Asia in which it would soon be involved. The United States, Carney predicted, would be forced into partial mobilization by the end of April and into total mobilization by the middle of May. Carney made it clear several times, according to Childs, that he was speaking with the full concurrence and support of Admiral Radford. That what he was contemplating was a major war in Asia was plain from one detail that Childs reported. He said that at one point in his talk Carney spoke at some length of the problems of military government on the mainland of China.

3. Carney did not try to disguise the fact that he and Admiral Radford believe that this is the moment for a showdown with Communist China. In a major war now, the Chinese Communists would totally lack tactical atomic weapons and could not rely on being provided from the Soviet Union with strategic atomic weapons, even if the Soviet Union has mastered the problem of delivering them over long distances. In any case, Carney said he was confident that the Soviet Union would not intervene.

4. In other words, Carney provided the newspapermen with a fairly complete blueprint of the war which he believes to be imminent. Childs thought it was clear that the main pur-

¹⁰⁰ Pearson a discuté de Formose directement avec Dulles pendant la visite du secrétaire d'État à Ottawa en mars 1955. Voir les documents 300 et 302.

Pearson discussed Formosa directly with Dulles during the Secretary of State's visit to Ottawa in March 1955. See Documents 300, 302.

pose of the briefing was to bring pressure to bear on the President so that he would have even less freedom of action than he has at present if a Communist attack were made on the offshore islands.

5. This telegram should be read in the light of our telegram under reference and the front-page story in the March 29 *New York Times* by Lawrence.¹⁰¹ We have just heard from a reliable informant that it was Hagerty the President's press secretary, speaking to newsmen at the Gridiron Club last evening, who made the comments covered in the *New York Times* story.

732.

DEA/50056-B-40

*Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis*

*Secretary of State for External Affairs
to Ambassador in United States*

TELEGRAM EX-601

Ottawa, March 31, 1955

SECRET. IMMEDIATE.

Reference: Your telegram WA-516 of March 29.

Repeat London No. 549; Permdel No. 132.

FORMOSA AND THE COASTAL ISLANDS

I find the information from Marquis Childs in your telegram WA-516 together with the newspaper story in last Saturday's *New York Times* frightening.¹⁰² I realize that there has been a reaction in Congress and no doubt also in the State Department to Admiral Carney's activities, and probably representations have been made by other governments. Nevertheless, I think it desirable that we should express our concern about irresponsible activities of this character in such a delicate situation as the present one in the Formosa Straits. You should accordingly arrange to express our views on this matter in an appropriate way and a suitable opportunity to the State Department.

2. You might use as a point of departure any discussion of this matter the question in the House of Commons on March 29 referred to in my immediately following telegram.^{†103} You might then inquire whether there has been any change in the intelligence about Chinese Communist intentions and capabilities to warrant the notion that an early attack is imminent. You might go on to quote the alleged statements of Admiral Carney and refer to the report that these were made with the concurrence of Admiral Radford. You might particularly refer to the statement about a show down with Communist China and the argument that a general war with Communist China now would be advantageous to the United States. You could further refer to the estimates that a partial U.S. mobilization would be necessary in April and a complete mobilization in May. You might point out the difference between these views and those expressed by President Eisenhower and Mr. Dulles. More

¹⁰¹ Voir/See *New York Times*, March 29, 1955, "Eisenhower Sees no War now over Chinese Isles; West Charts Big 4 Talks" by W.H. Lawrence.

¹⁰² Voir/See *New York Times*, March 26, 1955, "U.S. Expects Chinese Reds to Attack Isles in April; Weighs all-out Defense" by Anthony Leviero.

¹⁰³ Voir Canada, Chambre des Communes, *Débats*, 1955, volume 3, pp. 2607-2608.
See Canada, House of Commons, *Debates*, 1955, Volume 3, pp. 2477-2478.

particularly, Mr. Dulles has emphasized the fact that consideration is only being given at present to the possible use of tactical atomic bombs against small military targets.

3. It is becoming apparent that the statements attributed to Admiral Carney do not represent the policy of the United States Government. Nevertheless such statements from one so important in the Services are very disquieting to an allied and friendly government; moreover, these statements will be duly noted in Moscow and Peking. It may well be that in the Soviet and Communist Chinese administrations there is some doubt as to what course to pursue, and there are discussions between advocates of attack and advocates of moderation. Statements such as those of Admiral Carney which do not leave much hope for a peaceful solution can hardly encourage the advocates of moderation.

[L.B.] PEARSON

733.

DEA/50219-D-40

*Note du sous-secrétaire d'État aux Affaires extérieures
pour le secrétaire d'État aux Affaires extérieures*

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

TOP SECRET

[Ottawa], April 1, 1955

AUTHORITY OF THE UNITED STATES ARMED SERVICES TO USE
ATOMIC WEAPONS TACTICALLY

Information becoming available to the effect that the United States armed services are prepared to use tactical atomic weapons should hostilities develop in the Formosa Straits prompts this note, analyzing the President's control over atomic weapons under United States law.

2. The law of the United States (Atomic Energy Act of 1954) makes the President responsible for making the decision to issue atomic weapons to the armed services. The United States Atomic Energy Commission is the custodian of the atomic weapons, but may on the direction of the President deliver atomic weapons or their nuclear components to the armed services. The relevant section of the Atomic Energy Act is Chapter 9, Section 92, which reads as follows:

"Chapter 9. Military Application of Atomic Energy

"Sec. 91. AUTHORITY:

"a. The Commission is authorized to

"(1) conduct experiments and do research and development work in the military application of atomic energy; and

"(2) engage in the production of atomic weapons, or atomic weapon parts, except that such activities shall be carried on only to the extent that the express consent and direction of the President of the United States has been obtained, which consent and direction shall be obtained at least once each year.

"b. The President from time to time may direct the Commission

(1) to deliver such quantities of special nuclear material or atomic weapons to the Department of Defense for such use as he deems necessary in the interest of national defense, or (2) to authorize the Department of Defense to manufacture, produce, or acquire any atomic weapon or utilization facility for military purposes: *Provided, how-*

ever, That such authorization shall not extend to the production of special nuclear material other than that incidental to the operation of such utilization facilities.”

3. Thus, while it is clear that the President's authority is required to issue atomic weapons of any kind to the armed services, it is by no means clear what control the President exercises on the use of these weapons once they have been issued. Indeed, with the information presently available, it could only be a matter for speculation whether weapons have already been issued to the United States armed services; and, if so, whether these weapons include a nuclear core, without which the weapons of course are useless.

4. It has been our understanding that while atomic weapons without their nuclear core have been issued to the armed services both for purposes of deployment as well as for training, the nuclear cores have been retained under the custody of the Atomic Energy Commission. Our understanding of the procedures governing the issue of nuclear cores is that it is done on the authority of the President with the advice of a special committee of the National Security Council including the Secretary of State, the Chairman of the United States Atomic Energy Commission, and the Secretary of Defence.

5. The only official statement which may imply that complete nuclear weapons may have been issued to the United States armed forces in the area of Formosa is Mr. Dulles' statement on March 8 in which he said: "The United States in particular has sea and air forces *now equipped* with new and powerful weapons of precision, which can utterly destroy military targets without endangering unrelated civilian centres."¹⁰⁴ The word "equipped", however, may mean no more than that bombs and other types of weapons have been issued to the 7th Fleet, but without the nuclear material which is necessary for an atomic explosion. In this event, presumably the nuclear cores would be flown out to the scene of action, if or when the President so decided.

6. Assuming that the complete weapons have already been issued, however, it is possible that the United States armed forces are ready to use tactical atomic weapons as soon as they have the President's decision to engage in hostilities in support of the Chinese Nationalist forces. The President has the authority of Congress by a resolution to employ United States armed forces and if the Chinese Communists launched an attack, it would be sufficient for the President, under this assumption, to issue orders to the United States forces to engage in hostilities, for tactical atomic weapons to be used. Alternatively, the complete nuclear weapons may have been issued to the 7th Fleet; but there may be an understanding between the President and the Department of Defence that atomic weapons will be used in certain circumstances, the President reserving to himself the decision as to whether or not tactical weapons will be used after hostilities break out.

7. Judging from the press reports emanating from Washington on the President's reaction to the bellicose statements attributed to Admiral Carney last week, it seems likely that the President, aware of his responsibilities both as President and Commander-in-Chief, is determined to reserve to himself the vital decisions both as to initiating hostilities and as to the use of atomic weapons. It would seem to be in the Canadian interest, therefore, to take the occasion in public statements to support the President's authority against his bellicose military subordinates by expressing confidence that the President will only take such grave decisions after weighing the consequences and taking into account the known views of the allies of the United States.

¹⁰⁴ Pour le texte de la déclaration de Dulles, voir United States, Department of State, *Bulletin*, Volume XXXII, No. 821, March 21, 1955, pp. 459-464.

For the text of Dulles' statement, see United States, Department of State, *Bulletin*, Volume XXXII, No. 821, March 21, 1955, pp. 459-464.

8. If the President is retaining effective control over these important decisions, the probability is that he has either authorized the issue of nuclear weapons to the United States armed forces on the spot without their nuclear cores (the weapons to be completed by special flight when war is imminent) and at the same time authorizing the use of such weapons in the event of United States military intervention against select military targets, or, alternatively, has reserved the final decision on the use of atomic weapons in addition to the use of armed force in support of the Nationalist Chinese, to be made in the light of the circumstances as they develop.

9. It may be difficult to obtain much more specific information through official enquiries in Washington. I am sending, however, a copy of this memorandum to Mr. Heeney with the request that he take whatever opportunity offers to clarify the situation and at least to let us have comments on this paper.

J. L[ÉGER]

734.

DEA/50219-D-40

*Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis*

*Secretary of State for External Affairs
to Ambassador in United States*

TELEGRAM EX-620

Ottawa, April 4, 1955

SECRET. IMMEDIATE.

Reference: My EX-601 of March 31, 1955.

FORMOSA AND THE COASTAL ISLANDS

In view of the repeated references in Washington to the possibility of the use of tactical atomic weapons in the event that hostilities develop in the Formosa Straits, I should like you also to take the occasion of your approach to the State Department along the lines suggested in my telegram, to try to clarify the nature of the civilian control over the issue and authorization of the use of these weapons.

2. I realize that this is a delicate matter and that it may be difficult to raise the question directly, but we have had occasion in the past to discuss this question of procedure of civilian controls with the State Department in view of Canada's special relationship with the United States in atomic matters and particularly in continental defence.

3. A memorandum reviewing information now available to us has been prepared for the Minister and is going forward by bag to you for comment. You should not hold up your approach to the State Department, however, pending receipt of this memorandum.

735.

DEA/50056-B-40

*L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures*
*Ambassador in United States
to Secretary of State for External Affairs*

TELEGRAM WA-581

Washington, April 7, 1955

SECRET. IMPORTANT.

Reference: Your telegrams EX-601 of March 31 and EX-620 of April 4.

FORMOSA AND THE COASTAL ISLANDS

I saw Murphy for an hour on April 7. I had interpreted your instructions as putting priority on (a) a re-emphasis of the Canadian concern at the possibility of a major conflict developing out of events in the Coastal Islands, and (b) a re-statement of the Canadian case in such a fashion as to strengthen the hand of the President and his like-minded advisers in the way of moderation. I did make enquiries of Murphy on a number of specific points but a major portion of the interview was taken up with my exposition of the Canadian attitude. I believe it was thoroughly worthwhile to do this and had the impression that my representations found an echo in the State Department. Certainly Murphy listened sympathetically to the case which I made. McConaughy was with Murphy; McCardle with me.

2. I shall not deal in any detail with my arguments but I might mention briefly the major points which I raised. I referred in some detail to the discussions which Mr. Dulles had with you and with others in Ottawa and then read aloud some of the significant passages in your statement to the House of March 24.¹⁰⁵ I stressed the Canadian concern arising out of the inter-dependence of our two countries which is such that involvement is not necessarily related to commitment. I said that the Carney episode had brought a resurgence of anxiety in Canada which had been expressed in the House of Commons in the form of questions to the government. I spoke of the grave doubts which the Canadian Government were inclined to feel as to the possibility of limiting the scope of any conflict which might develop over Quemoy and the Matsus. I mentioned our particular concern arising out of the possibility that nuclear weapons might be used if in fact the United States intervened. Talk in supposedly responsible circles that it was "time for a showdown with Communist China", we believed did not serve the interests of peace. I suggested that the unfortunate effects on allied unity which would follow any unilateral United States action in the Coastal Islands would certainly be felt in NATO and this created additional concern for the close allies of the United States. I took a good deal of time to make these points and I believe it was time well spent.

3. Murphy's response was not unexpected. (I had the feeling indeed of speaking to the already converted.) Murphy emphasized that the United States Government did not take lightly the matter of possible intervention in the Coastal Islands. Dulles, he said, spent most of his waking hours with the problem. Many of the same concerns which were felt by the Canadian Government were felt by the United States Government. The President had

¹⁰⁵ Pour la déclaration de Pearson sur Formose voir Canada, Chambre des Communes, *Débats*, 1955, volume 3, pp. 2462-2468.

For Pearson's statement on Formosa, see Canada, House of Commons, *Debates*, 1955, Volume 3, pp. 2341-2346.

made his attitude clear, and it could not be over-emphasized that final decisions with respect to United States intervention would be taken solely by the President. Murphy said it seemed inevitable that wherever there was tension there developed a symbol of the conflict which had little intrinsic value. He was reminded of the "die for Danzig" talk which was current in 1939.

4. In answer to my specific question as to whether intelligence reports suggested that a major attack by the Communist Chinese was imminent, Murphy said he knew of nothing which would leave that impression. He reminded us that Carney had now specifically denied that he mentioned April 15 as the likely date for an outbreak of hostilities involving the United States. There was, he said, a steady Chinese build-up in the way of airfields and gun positions. The departure of six Chinese divisions from North Korea with substantial quantities of heavy equipment was of interest. He had seen nothing, however, which would lead him to believe that the Chinese Communists were about to launch a major offensive. Murphy said that there could be no positive assurance that the Soviet Union would not intervene if conflict broke out but it was the State Department's analysis that the Soviet Union would not wish to involve itself in Chinese adventures in the coastal area.

5. The conversation turned then to a discussion of the possibility of limiting any conflict which might break out over the offshore islands. While admitting here again that there could be no certainty, Murphy believed it would be possible to limit any conflict which might develop. The Soviet Union had not intervened directly in the Korean war nor had it responded fully in the 30's when Japan created the Manchurian incident. The history of the Soviet Union, he thought, suggested that there was little likelihood of Soviet intervention unless intervention was really forced upon the Soviet Union, and the United States had no intention of doing that. As for the United States side of the question, there had been great concern during the Korean war at the possibility of a crossing of the Yalu. The Administration had, however, been successful in resisting strong pressures within the government and from public opinion and had in fact not allowed a breaching of the Yalu boundary. It was questionable as to how far the Chinese Communists could go by themselves to expand any conflict which might develop.

6. It was, as you suggested, rather difficult to raise the question of civilian control over the issue and authorization of the use of tactical atomic weapons. Murphy assured us that the decision to use atomic weapons rested with the President and only he could decide. He left the impression, however, and admittedly this part of our conversation was in somewhat vague terms, that the decision to deploy (but not to use) the core of atomic weapons was not necessarily one which had to be taken by the President himself. The legislative base for civilian control of atomic weapons would seem to be that which is covered in the memorandum enclosed with your letter D-453† of April 1. From what Murphy said, however, we would assume that the President's decision is required only for the actual use of nuclear weapons.

7. Finally, I might add that in the course of our conversation, Murphy developed most of the familiar arguments of the United States case with respect to the Administration's current policies concerning Formosa and the Coastal Islands, which I need not repeat. In the course of the United States argumentation, with which we are all familiar, I asked whether the present situation did not work to the political advantage of the Communists and whether the United States stand would not be strengthened considerably if it was taken on Formosa itself. Murphy said he did not find this argument too convincing at the moment. The withdrawal of United States support from the Nationalists on Quemoy and the Matsus would obviously affect the morale on Formosa and might even lead to internal collapse. In these circumstances, he asked, would the allies of the United States go as far as assisting in

the garrisoning of Formosa? We admitted that we thought this most unlikely. Murphy said that this too was his estimate and it was an estimate which was much in the minds of senior officials of the United States Government. They could only hope that time would solve the problem of Nationalist morale and give the United States more elbow room in working out its policies in this important and potentially explosive area.

A.D.P. HEENEY

736.

DEA/50333-40

*Le haut-commissaire au Royaume-Uni
au secrétaire d'État aux Affaires extérieures*

*High Commissioner in United Kingdom
to Secretary of State for External Affairs*

TELEGRAM 536

London, April 18, 1955

TOP SECRET. IMMEDIATE.

DISTINCTION BETWEEN LARGE AND TACTICAL NUCLEAR WEAPONS

1. The following communication dated April 18 addressed to the High Commissioner, on the above subject, has been received from P.H. Dean of the Foreign Office.

Letter Begins:

We have been disturbed by recent statement on this question by President Eisenhower and Mr. Dulles. We hear from our High Commissioner in Canada that during Dulles' visit last month he said to Mr. Pearson that he was constantly stressing the distinction between tactical atomic weapons and the hydrogen bomb, that United States defence policy was now based on the use of small atomic weapons, and that reliance on conventional weapons would be hopelessly costly. Mr. Pearson was reported as saying that Canadians were realising that Canada would inevitably be involved in international trouble even where no Canadian commitments were involved, and that this worried Canadian public opinion and would lead to more agitation for having a voice in important decisions.

Clearly this question is of the highest importance, and ministers here have recently considered it. They invited the Foreign Secretary to arrange for consultations to be held with the Canadian Government with a view to the submission to them in due course of the draft of a joint communication on this subject to the United States Government, provided of course that the Canadian Government wished to join with the Government of the United Kingdom in this manner.

I enclose a tentative draft paper which, subject to the comments of your government, might be submitted as the basis for the joint communication in question. We should be most grateful if you would let us have your Government's views on it. Should you wish for a preliminary discussion of the matter I am of course at your disposal at any time. Letter Ends.

2. My immediately following telegram contains the text of the tentative draft paper referred to above.

3. Please pass copy of these telegrams to N.A. Robertson.

737.

DEA/50333-40

*Le haut-commissaire au Royaume-Uni
au secrétaire d'État aux Affaires extérieures*

*High Commissioner in United Kingdom
to Secretary of State for External Affairs*

TELEGRAM 537

London, April 18, 1955

TOP SECRET. IMMEDIATE.

Reference: My immediately preceding telegram No. 536 of April 18.

DISTINCTION BETWEEN LARGE AND TACTICAL NUCLEAR WEAPONS

Following is text of tentative draft paper referred to in paragraph 2 of my telegram under reference, Begins: Her Majesty's Governments in the United Kingdom and Canada are disturbed at the divergence between their views and those of the United States Government on this very important matter and its practical implications.

2. President Eisenhower and Mr. Dulles have both publicly advanced the thesis that a clear distinction can be drawn between small and precise nuclear weapons on the one hand, and large thermo-nuclear weapons on the other. The suggestion had been made on the American side that Her Majesty's Government in the United Kingdom should also consider taking suitable opportunities to make clear the technical and moral justification for the use of tactical nuclear weapons.

3. It is true that the NATO powers have decided that military planning should be based on the use of nuclear weapons and are reorganising and re-equipping their forces on that basis. It is also true that the NATO powers cannot afford to be strong in both nuclear and conventional means of waging global war. The process of re-equipping will be a gradual one: but in the not far distant future a stage will be reached in the re-equipment of the forces at which to deny them the use of nuclear weapons would hamstring their operations. This position was accepted by the NATO Council in December 1954, with the proviso that the decision to use nuclear weapons shall remain with the governments concerned.¹⁰⁶

4. Her Majesty's Governments in the United Kingdom and in Canada have considered the American proposition. In their view there is no point in the graduation of nuclear weapons at which any such dividing line can be drawn, and it is not necessarily true that the smaller ones produce no fall-out. In addition, the precision of any weapons is in no way related to its contents, but to the means of delivery. Furthermore, the American suggestion that the smaller weapons can legitimately be used in the framework of conventional armaments and only against military targets leads to the sterile argument as to what constitutes a military target.

5. Even if it were possible scientifically and militarily to draw the suggested distinction between small and large nuclear weapons the two governments consider that there are grave objections from the point of view of the West to doing so. The possession by the West of a stock of nuclear weapons of all kinds and the ability to deliver them is at present the most important factor in achieving the aim of preventing war. An attempt to divide them into those which are small and therefore morally justifiable, and those which are

¹⁰⁶ Voir volume 20, les documents 381 et 382.

See Volume 20, Documents 381 and 382.

large and therefore immoral, would inevitably reduce their deterrent value as a whole. It would be fatal to give the impression that as long as no hydrogen bomb was dropped on allied territory none would be used against Russia, or that the only likely victims of nuclear weapons in a new global war would be the armed forces and not the civilian populations or centres of government and industry. Moreover, for the deterrent to achieve its maximum effect, the Russians must be left in no doubt that the use against the West of any of their nuclear weapons would immediately bring upon them retaliation from the whole allied armory.

6. The conclusions of Her Majesty's Governments in the United Kingdom and Canada are as follows.

7. The time is coming when the Western forces will only be able to fight a global war with nuclear weapons. The decision to use these weapons will remain under political control.

8. It is not possible to draw any definite dividing line between small and large nuclear weapons. Even if it were possible to do so, it would be gravely against the interests of the West, because it would reduce their deterrent value and would encourage the Russians to think that they might be able to resort to aggression without receiving the full weight of allied retaliation. Ends.

738.

DEA/50333-40

*L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures
Ambassador in United States
to Secretary of State for External Affairs*

TELEGRAM WA-633

Washington, April 20, 1955

TOP SECRET. IMPORTANT.

Reference: Your telegrams EX-702 and EX-703 of April 18.¹⁰⁷

DISTINCTION BETWEEN LARGE AND TACTICAL NUCLEAR WEAPONS

Because this proposal relates so directly to United States policies, we are offering some preliminary comments on the telegrams under reference. Our comments, however, are necessarily tentative partly because of the wide implications of the United Kingdom proposals and partly because there may be some background to Dean's brief message of which we are unaware.

2. From the information available here, the descriptions in paragraph 1 of EX-702 of Mr. Dulles' and Mr. Pearson's views do not appear to be accurate.

3. As we understand the covering letter and the draft paper, the main concern of the United Kingdom is that the Soviet Union will be misled by current United States statements on nuclear weapons and may falsely assume that "massive retaliation" has been whittled down. If this is the object of the proposed approach, we would hope that it might be put more clearly (if made at all).

¹⁰⁷ Les documents 736 et 737 ont été retransmis à Washington en tant que télégrammes EX-702 et EX-703.

Documents 736 and 737 were retransmitted to Washington as Telegrams EX-702 and EX-703.

4. We would have thought that the first conclusion (EX-703, paragraph 7) is an understatement in relation to the emphasis publicly made here on the degree of dependence on nuclear weapons.

5. The second conclusion (paragraph 8) seems to begin with an over-simplification. The dividing line between small and large tactical weapons is surely the use to which they would be put, the one being tactical and the other strategic. We do, however, share the United Kingdom doubts on another form of distinction, that is, that the small bombs can safely be used without serious threat of leading to a global war.

6. We find it hard to envisage in the NATO area a minor war in which tactical bombs alone would be used. On the other hand, such a situation is envisaged for the Quemoy area and it is in this context that we have seen the practical problem involved in the distinction between the two types of bombs.

7. You have already made clear the possible consequences of United States operations over the Chinese mainland. We cannot help feeling that once unleashed the USAF would with difficulty be restricted to direct military targets or to the coastal area. This danger involved in any such operations would be increased by the use of tactical bombs.

8. As we see it, then, the pressing problem is to find some plan under which the United States could and would abandon its present policy in respect of the coastal islands. With that change, the immediate problem of the use of tactical bombs would virtually disappear.

9. We cannot help feeling that the presentation by one or more countries of a general essay on large and small bombs would be ill received in this country. If some clarification is needed for this purpose, could not some less formal approach, and certainly some clearer argument, be considered?

10. Finally, from the information available to us, we do not understand the reason which has led the United Kingdom to suggest a combined United Kingdom-Canadian approach to the United States. It is true that we have a common interest in atomic matters, but as the United Kingdom draft is untechnical and raises a problem of concern to a large number of countries, the reason for a dual approach is not clear to us.

A.D.P. HEENEY

739.

DEA/50333-40

Extrait du procès-verbal d'une réunion

Extract from Minutes of Meeting

TOP SECRET

[Ottawa], April 21, 1955

Present:

R.B. Bryce, Esq., Secretary to the Cabinet (Chairman)
 C.M. Drury, Esq., Deputy Minister of National Defence
 General Charles Foulkes, Chairman, Chiefs of Staff
 Dr. O.M. Solandt, Chairman, Defence Research Board
 J. Léger, Esq., Under-Secretary of State for External Affairs
 R.A. MacKay, Esq., Associate Under-Secretary of State for External Affairs
 G. Ignatieff, Esq., Department of External Affairs
 W.R. Martin, Esq., Assistant Secretary to the Cabinet.

I. DISTINCTION BETWEEN LARGE AND TACTICAL NUCLEAR WEAPONS

The Under-Secretary of State for External Affairs said the United Kingdom had expressed its concern over the apparent U.S. view that there could be a distinction between

large and tactical nuclear weapons, that the U.S. defence policy was now based on the use of the small atomic weapons, and that reliance on conventional weapons would be extremely costly. U.K. Ministers had considered this important question recently and now proposed that consultations be arranged with a view to the U.K. and Canadian governments approaching the U.S. jointly on this matter. A paper which might form the basis of such a submission had been received. The Canadian Ambassador in Washington had made certain preliminary comments on the proposal.

Relevant documents had been circulated to those at the meeting, and included:

Telegrams No. 536 and 537, April 18, from the High Commissioner in London.

Telegram No. WA-633 of April 20, from the Canadian Ambassador in Washington, and

An excerpt from a memorandum, dated March 17, reporting a conversation between Mr. Dulles and Mr. Pearson.¹⁰⁸

The Chairman of the Chiefs of Staff said the U.S. had no intention of fighting any war without using all the kinds of weapons that were available. The U.S. Chiefs of Staff had been told by the National Security Council that they were to plan on the use of mass destruction weapons in the event of war. The U.S. forces were being organized accordingly and it would be increasingly difficult as time went on to change and attempt to fight a war on a different basis. In other words, the type of war that would be fought had been settled and once a decision had been taken to go to war, it could be assumed that every kind of weapon would be employed. He thought that President Eisenhower's and Mr. Dulles' attempts to distinguish between sizes of nuclear weapons was being made because of the public reaction against the previously stated intention of the U.S. to retaliate massively against aggression at times and places of its own choosing. In the face of this public attitude, they had now come around, so it seemed to the view that, in the Far East at any rate, only small weapons would be employed and only on strictly military targets. The difficulty in this approach was twofold. First of all, once a war was started, it would be quite impossible to stick only to using small bombs, particularly if the desired results were not realized and U.S. aims were not achieved, and secondly, whether or not a 20-kiloton or a 5 or 6 megaton bomb were dropped, the whole of Asia would be completely alienated by such action.

Mr. Léger observed that Canada had agreed, insofar as NATO was concerned, that the Supreme Commander could, for planning purposes, rely on the use of nuclear weapons, large or small.

General Foulkes added that if NATO dropped its shield by saying that it would not use nuclear weapons in its defence, Russia could easily overrun Europe with conventional forces. We should hold the shield firmly and keep SAC in being as the main deterrent to war.

The Chairman of the Defence Research Board said that the U.S., through their attempted distinction were, it seemed, taking a different line in the Far East than in Europe. According to presently understood plans, all forms of nuclear weapons might be used in Europe but if the latest statements were to be believed only the smaller tactical variety would be employed in Asia.

Mr. Bryce said that the question was whether, in the East, there was any use in trying to make this distinction. The apparent Ottawa view was that this was not possible. Should such opinions be advanced to the U.S.? It was unfortunate that the U.S. Secretary of State had not been informed of these when he was in Canada some weeks ago.

¹⁰⁸ Voir/See Document 300.

Mr. Léger agreed, but said that this was understandable because the effort to distinguish between the big and the little weapons was quite a new theory at the time and Canadian thinking had not then been very far advanced.

General Foulkes said it was likely that the U.S. would use the smaller atomic weapons in the Far East under present circumstances if hostilities involving the Chinese Communists broke out. Such tactical weapons would not only destroy military targets and personnel but would also, of course, affect civilians as well.

Mr. Drury said the essential thing was to define the nature of the target. He was quite sure that if any kind of bomb were dropped by the U.S. on a Chinese target on the mainland, e.g. Peking, general war would develop.

Dr. Solandt thought the initiative lay with the Russians as to whether full all-out war would occur. The Russians would suffer more relatively than the Chinese and the latter might feel this would be to their advantage and might therefore endeavour to precipitate hostilities. On the other hand, the Russians would enter a war only after the most careful thought and calculation. They might in turn not be adverse to standing aside while the Chinese were weakened in a struggle with the U.S.

Mr. Léger said that one additional complication was that we did not know if the Chinese knew how devastating atomic weapons were. A lack of knowledge might lead them to take grave risks.

Mr. Drury asked whether Canada was interested in not having the U.S. administration establish a morality about the use of large and small nuclear weapons. The real issue to his mind was whether the U.S. should be discouraged from fighting limited wars in the Far East at all.

Mr. Léger observed that if such a war in Asia were a U.S. enterprise we might not have anything to do with it. If, however, it became a matter for the United Nations, then decisions would have to be made as to whether and how the war would be localized and as to what type of weapons might be used.

Mr. Drury added that we would have no control over strictly U.S. Operations. It was difficult to guarantee a localized war and in the present circumstances it seemed clear that nuclear weapons of some kind or other would be used. The rest of the world nevertheless had a tremendous stake in what the U.S. would do.

Mr. Bryce thought that the U.S. concept of planning for the use of mass destruction weapons was appropriate when the U.S. had a preponderance of those weapons, say two or three years ago. This was perhaps the logical policy until the Russians also had a significant number of the same weapons and equipment and the means to deliver them. Once this stage was reached, it would seem advisable for the U.S. authorities to re-examine their defence policy.

Mr. Drury said, however, that the U.S. could not afford an effective defence apparatus unrelated to mass destructive weapons, particularly in NATO. If they abandoned plans for the fullest use of them they would not have the conventional forces required to meet the current threat and provide the appropriate deterrent.

Mr. Bryce was not sure that this was correct insofar as Korea was concerned. If the United Nations forces there under the direction of the U.S. authorities had not gone right to the Yalu and thus brought the Chinese into the war, the action to defeat aggression involving the use of conventional weapons alone might have been much more successful. The alternative to the present U.S. strategy in the Far East was the provision by the U.S. itself and possibly by other Western nations of substantial conventional forces. Such forces were

not available and the nations concerned, including Canada were not prepared to take the steps to follow this alternative.

Dr. Solandt said that in the paper prepared as a basis for a joint approach to the U.S. it was clear that the British felt there was no point in distinguishing between large and tactical nuclear weapons. In addition to the probable U.K. concern over differing U.S. policies in the Far East and in NATO, he suspected the U.K. were worried that if small nuclear weapons were used on China, a general war would break out and the British Isles might then be destroyed.

Mr. Bryce thought that this U.S. difference in policy as between the Far East on the one hand and Europe on the other might give Canada some reason for joining in the approach. We might also base a submission on what Mr. Dulles had to say when he was in Ottawa some weeks before.

Mr. Léger was not satisfied that Canada should join in the U.K. exercise at this stage at a high level. Rather, we might discuss the matter with the appropriate desk officers in the State Department; get what reactions that could be obtained and, based on these, approach the higher authorities later on.

Mr. Bryce observed that in any event the U.S. was aware of Canada's views on possible hostilities over Quemoy and Matsu.

Mr. Drury said that the Australian proposal for a joint guarantee of Formosa by the U.S., Australia and possibly other countries including New Zealand, the United Kingdom and Canada which was now being mooted was most attractive to him. As he understood it, the *quid pro quo* would be a U.S. commitment to evacuate Quemoy and Matsu. If such an arrangement did emerge it would mean that there would be a collective determination as to whether there was an act of overt aggression against Formosa. Such an alliance would be free to use any kind of weapon, he assumed, unless there were mutually agreed restrictions. It would perhaps also make the present approach respecting the distinction between types of nuclear weapons unnecessary. Canada's accession to such guarantee, though, might involve a fairly significant military contribution.

Mr. Léger said that the possible guarantee of Formosa with Quemoy and Matsu reverting to the Chinese government on the mainland was only a new idea. He agreed though that it was attractive in many ways. He was not so sure that Canada's contribution need be very great if we joined. However, any such arrangement might not come about for some time and the next few weeks might well be critical in the Formosa straits. Nevertheless, he was concerned that a joint approach at a high level by Canada and the U.K. would only be resented by the U.S.

Dr. Solandt said that our line might be that we had joined in defensive arrangements with the U.S. based in the main on the deterrent provided by SAC armed with nuclear weapons. In the attempt to distinguish between the size of these weapons there was an implication that the use of the big ones was immoral and this undermined the whole basis of the West's defence.

The Chairman said he felt the sense of the meeting was as follows: The British should not be discouraged in approaching the U.S. direct if they so desired. But we should advise the U.K. that, at the moment, we did not have an occasion to join with them in the exercise. The U.S. Secretary of State had spoken to Canada some weeks ago about this matter, but we had not then offered any views. We did, however, share U.K. feelings on the U.S. attempt to distinguish between the size of weapons and we would use what opportunities we could to discuss the matter with the U.S. authorities ourselves. It could also be

explained that the possible guarantee of Formosa now being discussed might present an occasion to express our views.

. . .

740.

DEA/50333-40

*Le secrétaire d'État aux Affaires extérieures
au haut-commissaire au Royaume-Uni*

*Secretary of State for External Affairs
to High Commissioner in United Kingdom*

TELEGRAM 665

Ottawa, April 22, 1955

TOP SECRET. IMMEDIATE.

Reference: Your telegrams 536 and 537 of April 18 and 547 of April 19.†

DISTINCTION BETWEEN LARGE AND TACTICAL NUCLEAR WEAPONS

Please inform Dean that we also have been giving active consideration recently to some of the problems relating to the strategic and tactical use of nuclear weapons. We agree on the importance and urgency of reaching a meeting of minds on this subject between the allied governments principally concerned, and we welcome the suggestion for an exchange of views with the United Kingdom authorities. My forthcoming visit to London might provide an opportunity for such an exchange orally.¹⁰⁹

2. While we have not yet reached any firm conclusion with regard to the United Kingdom proposal for a joint or parallel approach to the United States Government, our preliminary and tentative view is that it might be inadvisable in the form and manner suggested.

3. As we understand it, the main concern of the United Kingdom is that the Soviet Union may be misled by current United States statements on nuclear weapons and may falsely assume that the doctrine of "measured retaliation" in peripheral areas, expounded recently by President Eisenhower and Mr. Dulles, implies some weakening of the policy of "massive retaliation" where vital allied interests are attacked. We are inclined to think that the danger of a miscalculation arises less from the possibility of such a misconception on the part of the Soviets than from the practical difficulty of placing restrictions on either the type of weapons or the choice of targets in situations such as that in the Formosan straits. The problem, therefore, as we see it, is essentially one of reaching agreement on the positions to be regarded as justifying military retaliation of any kind.

4. We are also not entirely clear on the nature of the "suggestion" or "proposition" by the United States referred to in the tentative draft paper. The Americans have made no such specific proposals to us. Mr. Dulles, when he was in Ottawa, did refer to the statements which he and President Eisenhower had made about the use of small atomic weapons against battlefield and tactical targets, and said that he thought it important that the public should come to recognize (1) that they are distinct from the big thermo-nuclear weapons; and (2) that they are not distinct from other tactical weapons. United States defence forces and policy, he said, had been shaped on the predicated use of small atomic weapons. If they had to prepare also to fight only with conventional weapons, the financial and eco-

¹⁰⁹ Aucun compte rendu des discussions de Pearson sur cette question n'a été retrouvé.
No record of Pearson's discussions on this subject was located.

conomic strains would be such that the United States would have to introduce far-reaching economic and political controls for an indefinite period, and thus sacrifice many of the free values for which they stood. The decision therefore to rely on atomic weapons was more than merely a financial one.

5. Mr. Dulles did not, however, develop more fully the reasons for the distinction he and the President were seeking to make, nor did he make any attempt to relate the distinction to the policy of nuclear deterrence. We would therefore be interested to know whether the United Kingdom authorities have been given a fuller outline of the "technical and moral justification" for the use of nuclear weapons in a tactical as distinct from a strategic role. I had myself something to say on this matter in my first Princeton lecture.¹¹⁰

741.

DEA/50030-AG-1-40

*Le président du Comité des chefs d'état-major
au sous-ministre de la Défense nationale*

*Chairman, Chiefs of Staff Committee,
to Deputy Minister of National Defence*

TELEGRAM 30

[Paris], April 28, 1955

TOP SECRET. TOP IMMEDIATE.

Please pass the following message to Léger.

Had discussions with Gruenther and Norstad regarding the big and little problem. It is Gruenther's view that the reason for this propaganda was to take attention off the previous cliché of massive retaliation in the place of our own choosing. When this was associated with fallout it tended towards creating panic especially when considered in the small war. Gruenther admits he had never considered that the little bombs designed to deal with military targets would be considered morally and tend to imply that the big ones would therefore be immoral. He fully appreciates that any such interpretation might have serious effects on political decision regarding the use of such weapons. I emphasize that we were concerned lest this propaganda might be considered by the Russians as an indication that we would hesitate to use the big bomb in a global war. Therefore this would have a serious effect on the deterrent power. Gruenther immediately realised the force of this argument. He is to see Dulles on the seventh of May and is going to raise this issue with him particularly the moral side and the deterrent. He suggested that perhaps Mr. Pearson may wish also to raise it if he has more informal talks with Mr. Dulles.¹¹¹ I have passed this information to Brownjohn who is returning to UK tomorrow.

¹¹⁰ Voir/See Lester B. Pearson, *Democracy in World Politics*, Toronto: S.J. Reginald Saunders and Company Limited, 1955, pp. 9-40.

¹¹¹ Aucun document n'a été trouvé indiquant que Pearson a discuté de cette question avec Dulles lorsque les deux se sont rencontrés pendant la réunion ministérielle de l'OTAN en mai. No record was located indicating that Pearson discussed this question with Dulles when the two met during the NATO Ministerial meeting in May.

742.

PCO

Extrait des conclusions du Cabinet
Extract from Cabinet Conclusions

TOP SECRET

[Ottawa], April 29, 1955

* * *

FORMOSA; REPORT BY SECRETARY OF STATE FOR EXTERNAL AFFAIRS

11. *The Secretary of State for External Affairs* said there had been very serious developments in regard to Formosa which might require a difficult decision on the security of that island. However, the offer of Chou En-Lai to negotiate with the United States over differences in the area, and the second comment of the U.S. on this offer, saying that they would be willing to hold discussions, appeared hopeful and might solve the problem which had arisen.¹¹²

The possibility of a difficult decision arose out of negotiations initiated by the Australian Prime Minister in Washington. Mr. Menzies had proposed that the U.S. persuade the Chinese Nationalists to evacuate Matsu and Quemoy, and, in return, the U.S., Australia, and, presumably, New Zealand, the U.K. and Canada, would undertake to assist in resisting an attack on Formosa. In a sense, this was a form of guarantee. When he heard about this he had informed our friends that any proposal to Canada of this sort could cause trouble and that it ran counter to Canada's announced policy of undertaking no obligations about Formosa except those that might arise out of Canadian obligations to the United Nations.

This proposal was probably the reason that Admiral Radford, the Chairman of the U.S. Chiefs of Staff and Walter Robertson, the U.S. Assistant Under-Secretary of State had gone to Formosa. Presumably, it was to find out if Chiang Kai-shek would agree to something along the lines of the Australian suggestion. The British reaction had been cautious. They had given the U.S. no reason to expect any support unless such an arrangement was worked out under U.N. auspices.

If Cabinet agreed, he proposed to take a firm stand with both the U.S. and the U.K., stressing that Canada had no commitments in the Far East except those arising out of her membership in the United Nations and no wish to undertake any new commitments there. It would be difficult, however, if the U.S. persuaded Chiang Kai-shek to withdraw his forces from Quemoy and Matsu and then asked the United Nations to ratify a Formosan guarantee.

12. *In the course of discussion* the following points emerged:

(a) It would be a grave decision for Canada to become a partner in any arrangement to guarantee the integrity of Formosa. Australia, however, would say that this did not involve a guarantee to the Nationalist forces but merely a commitment that the status quo would not be changed by force.

(b) There had been no formal or final determination of the future of Formosa although Japan had ceased to exercise sovereignty over the island and had given up rights there under the Peace Treaty. In fact, its sovereignty had not been entrusted to anyone, except

¹¹² Voir/See *Documents on International Affairs, 1955*, London: Oxford University Press — Royal Institute of International Affairs, 1958; United States, Department of State, *Bulletin*, Volume XXXII, No. 827, May 2, 1955, p. 738.

possibly by the U.S. as conquerors, to China under Chiang Kai-shek. Presumably, all the former belligerents in World War II would have to agree on its final legal disposition.

(c) It would be embarrassing if the U.S. succeeded in persuading Chiang Kai-shek to abandon the coastal islands and then, as part of the *quid pro quo*, asked Canada to join in guaranteeing Formosa. The U.K., Australia and New Zealand regarded holding the island as in their interests. However, the situation was different here, and it had never been maintained that the island was of vital strategic importance to Canada.

13. *The Cabinet* noted the report of the Secretary of State for External Affairs on the possibility of Canada being asked to join in a guarantee of Formosa if Chinese Nationalist forces were to evacuate Quemoy and Matsu, and agreed that, for the present, Canada maintain the position taken heretofore, that no commitments would be undertaken in this area except such as arose out of Canada's obligations as a member of the United Nations.

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743.

DEA/50056-B-40

*Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis*

*Secretary of State for External Affairs
to Ambassador in United States*

TELEGRAM EX-789

Ottawa, April 29, 1955

SECRET. IMMEDIATE.

Repeat London No. 717.

BILATERAL DISCUSSIONS BETWEEN THE UNITED STATES
AND COMMUNIST CHINA

At the first suitable opportunity, would you tell the State Department how pleased we were here with the attitude toward bilateral talks with the Chinese, as outlined by Mr. Dulles in his press conference last Wednesday,¹¹³ and as reported in the *New York Times*.

2. We welcome the cautious encouragement Mr. Dulles has given Chou En-Lai's offer of negotiations. Like him, we hope that the developments of the last few days may represent a real trend away from the international tension of recent months, particularly over the Formosa issue.

3. We are very conscious that it will be difficult for the United States and Communist China to establish contact even though both sides may really desire to do so. The State Department might accordingly be receptive to a few informal and very tentative ideas about how this might be done. If this is so you might make two such suggestions, though, of course, these might have already occurred to them. In the first place, they might find it useful to establish first contacts in a capital where both Communist China and the United States have diplomatic representatives. This might provide the best way of starting confidential discussions free from the pressures of the press. If these preliminary talks showed any promise they could then be carried on at a higher level.

¹¹³ Voir/See United States, Department of State, *Bulletin*, Volume XXXII, No. 828, May 9, 1955, p. 754.

4. We recognize the dangerous consequence of a failure of negotiations to make much headway because of the intractable nature of the problems to be discussed. We notice that Mr. Dulles has emphasized the reaching of a cease-fire without raising substantive questions regarding the future status of Formosa. It may be difficult to get a formal cease-fire. It may also appear wise to avoid heading into the question of the future of Formosa when the possibility of reaching agreement at this time is slight. If any progress is to be made it might be better to deal with peripheral matters of mutual concern where mutual concessions might be made. If some mutual problems could be cleared up then the atmosphere might be improved and the Chinese might decide for their own reasons to not make an issue out of Formosa at this time.

[L.B.] PEARSON

744.

DEA/50056-B-40

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

*Secretary of State for External Affairs
to High Commissioner in India*

TELEGRAM 281

Ottawa, May 5, 1955

SECRET. IMMEDIATE.

Reference: Your telegram 296 of May 3.†
Repeat London No. 763; Washington EX-845.

BANDUNG CONFERENCE AND FORMOSA

I should be obliged if you would convey the following views to the Indian authorities.

2. We have followed the proceedings at Bandung with a great deal of interest and can well imagine that the Conference was a fruitful one for the participants. We have noticed that the communiqué is, generally speaking, couched in moderate terms and reflects the desire of the participants to play a full role in international organizations, rather than any exclusive spirit. The influence of responsible leadership is clear, both in the proceedings and in the communiqué.

3. The public statement of willingness to negotiate by Chou En-Lai is a step forward which has created a better atmosphere. I have sent a message to Washington welcoming Mr. Dulles' agreement to participate in bilateral discussions. Mr. Menon's statement quoted in paragraph 10 of your telegram No. 293† appears to be based on the initial State Department release of April 23.¹¹⁴ In his press conference of April 26 Mr. Dulles did not insist on a cease fire as a prerequisite to direct negotiations, but he said that the first topic to be raised in any bilateral discussions was a cease fire. I shall see Mr. Dulles and other foreign ministers at Paris next week and we shall doubtless touch upon the Formosa situation, probably in informal conversations.¹¹⁵ I am sure that these conversations will bring out the general desire to profit from the more hopeful atmosphere which has recently arisen and possibly, too, some practical ways of pursuing negotiations may emerge.

¹¹⁴ Voir/See United States Department of State, *Bulletin*, Volume XXXII, No. 827, May 2, 1955, p. 738.

¹¹⁵ Voir/See Document 186.

4. I am inclined to agree with Mr. Dulles' statement on April 26 that Chou En-Lai's declaration of willingness to negotiate was in some measure motivated by the emphasis on peaceful solutions of the other countries represented at Bandung. It is to be hoped that the Colombo powers will find ways of continuing to exercise this beneficent influence in the months to come, and in this connection I have read with interest of the forthcoming visit of Mr. Krishna Menon to Peking. I found my talk with Mr. Menon at the end of March very useful even though I could not entirely accept some of the ideas Mr. Menon discussed, and I felt that they would be even more unacceptable to the United States.

5. I can understand that in performing the very helpful function of explaining how the Chinese Communists would approach the Formosa problem, Mr. Menon would wish to be very cautious about suggesting the sort of concessions that the Peking authorities might be prepared to make in any negotiations. Indeed it will be very interesting to learn if Mr. Menon is able to confirm that the Chinese Communists are prepared to make concessions. On the other hand, I am sure that Mr. Menon is fully aware that there is little room for the Nationalists and the United States to make further concessions on the Formosa issue except with respect to the coastal islands and not attacking the mainland. Indeed the questions of the future of Formosa and the Nationalist Government seem to me to be very difficult ones to resolve at this time. It might be easier to make progress on some minor matters of mutual concern to Peking and Washington. If that were possible a better atmosphere would be created and Formosa might become less important as a focus for mutual distrust and antipathy. Mr. Menon's exploratory talks might facilitate later negotiations and particularly direct contacts between the United States and Communist China.

6. However, I am somewhat surprised by Mr. Menon's remark reported in paragraph 12 of your telegram 293 about the likelihood of Communist Chinese attacks on the coastal islands. It is understandable that at the present stage of exploratory discussions Mr. Menon may be talking over with the Communist Chinese ideas which are not altogether acceptable to us. I would hope, however, that we would all agree on the importance of the exercise of restraint on all sides while exploratory talks are going forward. This seems to me an essential basis of progress towards a *modus-vivendi*.

[L.B.] PEARSON

745.

DEA/50056-B-40

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

*High Commissioner in India
to Secretary of State for External Affairs*

TELEGRAM 348

New Delhi, May 27, 1955

SECRET. IMMEDIATE.

Reference: Your telegram No. 281 of May 5.

VISIT OF KRISHNA MENON TO PEKING

I had a somewhat confusing hour this morning with Menon who returned to Delhi yesterday. Menon saw Middleton, the Acting High Commissioner for the United Kingdom just before I visited him. He is seeing the United States Ambassador this afternoon.

2. It is my impression that Menon enjoyed his trip to Peking. He was there for ten days and had six interviews with Chou En-Lai, each lasting about three hours. He also met Chou En-Lai and other Chinese officials socially.

3. Menon read me the text of the message which Prime Minister Nehru sent to you about Menon's visit to Peking.¹¹⁶ It was only at the end of the conversation that I had an opportunity to read it. There is one typing error in this message which you should correct. In the sentence in paragraph 6 which begins "We believe substantial progress can be made etc." the words "can be made" should be changed to "has been made".

4. You will note in paragraph 6 of Nehru's message that he comments that the nature of the talks do not lend themselves to an exchange of views by telegram and that he is taking steps "for conversations with you and your Prime Minister". It is, I think, highly likely Menon will make his way to Ottawa via London.¹¹⁷ He told me on a private basis that although the Prime Minister has not yet approved his itinerary he thought that he might be leaving for London next week, proceeding to Ottawa about June 10 and then going on to Washington before Dulles leaves for San Francisco. If Menon does not make this pilgrimage I do not know who will.

5. I was not too successful in getting Menon to say much more than is contained in Nehru's message. He emphasized, however, on several occasions that he hoped you would do your best to get a favourable public reaction in Washington to the announcement of the release of the four United States airmen. He said that he did not expect the Americans to go overboard in praising the generosity of the Peking Government in the release of these men. He thought, however, that a moderate reaction would be useful and might make it easier for Peking to release the remaining airmen. I suggested that Mr. St. Laurent might even wish to consider sending a message to President Eisenhower. When speaking about the release of the four airmen Menon told me that the date of May 30 had been selected to give him time to report to Nehru and to inform London, Washington and ourselves. The release of these airmen will be made public in Delhi at a press conference to be held at about eleven o'clock on Monday, May 30, and will be announced by Peking Radio on the same day.

6. I understood Menon to say that Peking would probably release the other airmen if their relatives visited China. He said, however, that Peking had no intention of making a public declaration to this effect. He also said that Peking was prepared to release all American nationals and indeed intended to make entry into China of United States nationals easier. If this latter development takes place Menon hopes that responsible and respectable American citizens will visit China and see conditions there themselves. He also hopes that we would encourage Canadian private citizens to visit China.

7. I reminded Menon that you had indicated that you would be interested to learn if he was able to confirm that the Chinese Communists were prepared to make concessions. In reply I understood Menon to say that:

(1) There was a general relaxation of tension. The willingness of Peking to negotiate opened the way "for other things" and given the proper conditions this could lead to a broader settlement.

(2) More concrete form had been given by Peking to their views on negotiations by suggestions as to how these negotiations might be carried out and in particular by their

¹¹⁶ Voir le document suivant./See following Document.

¹¹⁷ Pour le rapport sur les pourparlers de Pearson avec Menon, voir le document 292.
For the report on Pearson's talks with Menon, see Document 292.

suggesting that negotiations might start at a lower level. I also understood him to say that negotiations might be carried out through a third party.

(3) A common basis can now be found for taking into negotiation various unresolved questions.

8. Menon is, I think optimistic that he has laid the groundwork for a situation which, if it were not a cease-fire, at least would have all the earmarks of a *de facto* cease-fire.

9. It is my impression that Menon feels he has made a contribution to the solution of a ticklish problem. When I remarked that he had indeed done so he purred gently. Undoubtedly, however, he thinks the ball is now in the American court. He does not, however, want to be quoted that he thinks it is now up to the United States.

10. Menon then discounted the two-China theory and remarked that the Peking Government will not carry out reprisals against Nationalist Chinese. He illustrated this by referring to one or two persons he had met in Peking who had been integrated into the new régime without loss of stature. Menon said in passing that Peking was willing to enter into discussion with Chiang Kai-shek, but not as the head of a nationalist government. He would be treated as though he were a provincial leader.

11. I found it rather difficult to follow Menon since my only knowledge of Nehru's telegram was Menon's hasty reading of it to me. Menon has, I think, views which he did not disclose.

12. As I was leaving Menon said he hoped that you would let him have your initial reactions to Nehru's telegram.

[B.M.] WILLIAMS

746.

DEA/50056-B-40

*Le secrétaire d'État aux Affaires extérieures
au haut-commissaire au Royaume-Uni
Secretary of State for External Affairs
to High Commissioner in United Kingdom*

TELEGRAM 870

Ottawa, May 27, 1955

SECRET. IMMEDIATE.

Repeat Washington EX-978.

VISIT OF KRISHNA MENON TO PEKING

A. Following is the text of a message which Nehru has sent to the Minister and which was delivered by the Indian High Commissioner here today.

"Krishna Menon has returned from Peking and reported to me today on his talks with Chou En-Lai and others. I had asked him to visit Peking in response to an invitation from Chou En-Lai. No report of his talk while he was there was either expected or received by me before he returned here. Hence I have not been able to send you a communication on the subject till now.

2. "These talks have resulted in showing the way clearer to:

(a) A basis for negotiations which can be accepted by both sides;

(b) Steps both immediate and subsequent to the lowering of tensions and create a climate for negotiations;

(c) The consideration of steps and procedures to bring about and facilitate negotiations themselves.

3. "The Chinese Government have decided in response to our request and "as a first step" to release four U.S. airmen of the FISTISM group. I believe the way has now been definitely opened for further and more final solutions of the issue of the U.S. nationals in China and their return. We may believe now this can be brought about by further efforts and goodwill.

4. "An announcement about the four flyers will be made in Peking on the evening of the 30th May. Until then the decision must be treated as secret and my communication to you is on this basis.

5. "I would like to say to you that a helpful response to this announcement from the responsible leaders in United States will help the progress and speed the release of all the remaining nationals and reduce tensions. It will bring about a definite and helpful change in the Chinese mind and all-round.

6. "I would like to refer to the concluding part of your message which your High Commissioner communicated to us as your impressions and views on this problem in which you express particular concern about the use of force pending the negotiations and your hope that there should be abstention from such use to help negotiations. We believe substantial progress can be made in this respect which will be a definite gain. Nature of the talks and of the procedures and steps which have been considered do not lend themselves to the exchange of our views by telegram. I hope therefore to take steps for conversations with you and your Prime Minister in Ottawa for this purpose as soon as convenient to you.

7. "Kindly convey to Mr. St. Laurent that I feel that the talks in Peking are a distinct contribution to progress towards peaceful settlement and we look much to Canada in conveying to the United States that helpful response to the initial progress achieved in Peking will help to secure further results. This will involve no sacrifice of principle and no commitment on the part of the United States Government."

B. My immediately following telegram [EX-979] contains the text of telegram No. 348 of May 27 from Williams in New Delhi reporting an interview with Menon which throws additional light on this message. We are not clear but are inclined to think that it is Menon rather than Nehru who is proposing to come to Ottawa.

747.

DEA/50056-B-40

*L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures*

*Ambassador in United States
to Secretary of State for External Affairs*

TELEGRAM WA-880

Washington, May 28, 1955

SECRET. MOST IMMEDIATE.

Reference: Your EX-978 and EX-979 of May 27.

VISIT OF KRISHNA MENON TO PEKING

Although the State Department had not had any word from their Embassy in New Delhi when I spoke to Murphy on the telephone last evening before receiving your telegrams under reference, they had received a message from Cooper by the time I called on Murphy

at ten o'clock this morning. So that when I saw him Murphy was aware of the intention of Peking to announce the release of the four United States airmen on Monday next, May 30th.

2. Cooper's report of his interview with Krishna Menon on May 27th,¹¹⁸ or rather the message from Mr. Nehru which it conveyed, was substantially similar to the message from Mr. Nehru to you. There was, in addition, an introductory passage expressing the Prime Minister's judgment that Menon's mission had disclosed an important relaxation of tension, and the hope that advantage would be taken of the opportunity to engage in fruitful negotiations. There was this further difference, of course, the omission of the suggestion that we seek to persuade the Americans to avoid a provocative reaction. Murphy read Cooper's message to me, I think in full text.

3. Although Murphy's attitude exhibited his normal caution in committing himself, he was clearly very much interested in what we had to add to the information he already had. Since he himself was aware of the probability of Menon wishing to follow up his Peking visit by a trip to North America (there was reference in Cooper's message to conversations with the President and the Secretary of State — the implication being conversations with Menon), there was no point in my withholding reference to this prospect. I was therefore able to read to Murphy the whole of Mr. Nehru's message to you.

4. I also quoted largely from Williams' report (telegram EX-979) pointing out, however, that Williams himself was left in considerable doubt on a number of points and that not too much weight should be placed on certain of his impressions of what was in Menon's mind. We agreed that it was evident that Menon was not showing his whole hand.

5. I said that for our part we did hope that there would be no provocative reaction in the United States when news of the release of the four airmen became public. I drew attention to the fact that Mr. Nehru was not suggesting that the United States Government should "go overboard" enthusiastically. Nor did we suggest any such thing. The point was, we thought, to avoid saying things which might prejudice what appeared to be a disposition on the part of Peking further to lessen tension and to engage in some kind of negotiations looking toward a broader settlement. At the same time we fully realized the difficulties on the American side, and would not expect the Menon-sponsored flight of a single swallow to be greeted as the arrival of the full summer.

6. Murphy pointed out at once that the release of these four airmen alone — a cynical trafficking in hostages — would be little evidence of a change of heart. They were in a totally different category than the eleven against whom charges had been made and upon whom sentences had been pronounced. Furthermore there were some 24 other Americans under restraint in Communist China and a total of 481 unaccounted for. Again, whatever was said by the United States Administration, there was no way of preventing others (he instanced McCarthy) from reacting publicly with some violence.

7. Nevertheless, Murphy went on, we could rest assured that there would be no disposition on the part of the President (and the State Department) to say anything which would prejudice the possibilities of making progress in obtaining the release of the remaining Americans and indeed toward larger solutions. He told me that he would be working later in the day on a draft statement for the President (who is at Gettysburgh for this Memorial Day weekend — Dulles will be at Duck Island until next Thursday), and he promised to let us see the draft before it was issued. He suggested that the statement might be a simple

¹¹⁸ Voir/See *FRUS, 1955-1957*, Volume II, pp. 576-578.

“expression of gratification” at the release of the four.¹¹⁹ This was a personal opinion on his part with which, of course, I heartily agreed.

8. You may take it that there will be no enthusiasm in Washington for a visit by Krishna Menon. Nevertheless, so far as Murphy is concerned, Americans will not allow their distaste for an individual to prevent their taking any opportunities which, otherwise, seem to offer grounds for hopeful negotiation. Murphy showed a good deal of interest in Williams' understanding that Menon had indicated that the Chinese Communists had suggested “that negotiations might start at a lower level” (Your telegram EX-979, paragraph 7(2)). This would obviously suit the United States book a good deal better. I pointed out that the meaning of this reference was pretty obscure. Menon might have in mind actual negotiations following an American journey on his own part.

9. There seems to be doubt as to the timing of the actual release. Mr. Nehru's message to the United States (as to us) mentions “the evening of the 30th May.” On the other hand, Menon apparently told Williams that the news would be made public in Delhi “at a press conference to be held at about eleven o'clock on Monday May 30th and will be announced by Peking radio on the same day.” Murphy and I agreed that there was real risk of the news breaking earlier over the weekend.

10. Incidentally, and finally, Murphy told me that a careful analysis of Peking broadcasts indicated in the last two weeks almost complete absence of any reference to the liberation of Formosa. Nevertheless the build-up on the coast opposite Quemoy and the Matsus continued, although not at an alarming pace.

A.D.P. HEENEY

4^e PARTIE/PART 4

RECONNAISSANCE DE LA RÉPUBLIQUE POPULAIRE DE CHINE
RECOGNITION OF THE PEOPLE'S REPUBLIC OF CHINA

748.

DEA/50055-B-40

*Note du sous-secrétaire d'État suppléant aux Affaires extérieures
pour le secrétaire d'État aux Affaires extérieures*

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

CONFIDENTIAL

[Ottawa], August 8, 1955

RECOGNITION OF PEKING¹²⁰

Mr. Dulles' recent statements on American negotiations with the Peking Government suggest that U.S. policy on China may be moving more rapidly than we had supposed or

¹¹⁹ Pour la déclaration du président, voir United States, Department of State, *Bulletin*, Volume XXXII, No. 833, June 13, 1955, p. 953.

For the President's statement, see United States, Department of State, *Bulletin*, Volume XXXII, No. 833, June 13, 1955, p. 953.

¹²⁰ Note marginale :/Marginal note:

A copy of this memo was given on April 30 to Mr. Gabites, N[ew] Z[ealand] Office, for transmission to Alistair McIntosh. A. M[enzies]

expected.¹²¹ The attitude of Senator George is only slightly less significant. It might be noted also that the *New York Times* of July 27 stated:

“Meanwhile at the Capitol the strongest backers of President Eisenhower’s foreign policy were confident that a Foreign Ministers’ meeting was on the way. There was no doubt of this in the mind of Senator Walter F. George, Democrat of Georgia, chairman of the Senate Foreign Relations Committee.”

In spite of Mr. Dulles’ pious talk about remaining loyal to the Nationalist Chinese ally it does seem possible that, deliberately or not quite consciously, preliminary steps to at least *de facto* recognition are being taken. In view of the extreme delicacy of the question in domestic politics, it is also possible that the U.S. will not be able to discuss its policies very frankly with its friends and we shall, therefore, have to guess at what they might have in mind.

2. In view of these new developments, or assumed developments, we should perhaps have a new look at Canadian policy. It is by no means certain, of course, that the U.S. will in the near future recognize the Peking Government, but there is a good chance that it will do so, and we should be prepared for such an eventuality. If the U.S. does recognize Peking, I presume that Canada and most other countries will do likewise. The question arises, therefore, whether we wish to do so before or after the U.S. step is taken.

3. I presume that there would be less opposition to the move within Canada if it were taken after the U.S. than if it were taken before. There are, however, objections to our following the Americans or even to our joining in some prearranged simultaneous move with the U.S. and other Western countries. It has all too frequently been alleged that we have in our policy on recognition humbly followed the U.S. and not taken a position of our own. We have constantly denied this charge and have pointed to the clear differences in many ways between our policy towards China and that of the U.S. However, if we delay recognition until a short time after the U.S. or even till the same time, we should confirm in the minds of most people that the charge had been correct. Perhaps it does not matter very much what the Paraguayans or the Portuguese think of our policy, but it is of some importance that the Indians and the Chinese themselves respect and recognize our independence of approach.

4. Perhaps there is another argument for our preceding the Americans. Our policy has, I think, been based on the belief that recognition at some time was more or less inevitable. This view has been implied in public statements by the Prime Minister and yourself. If it is inevitable, there is a good deal to be said for getting on with it in order to clear the air and establish relations essential for at least co-existence. It is, of course, recognition by the U.S. which really matters. Recognition by Canada is of much less importance in the international scene. However, recognition by Canada could have an important effect in starting a process which might hasten considerably recognition by the U.S. You will recall a suggestion some time ago from Mr. Casey that Canada, Australia and New Zealand might at some suitable time take the important step of recognition and that in the right circumstances such a step would be welcomed secretly by at least some elements in the administration in Washington. It would probably be followed by similar action on the part of countries like France, Belgium, Mexico, Germany, Japan and prepare the way for the much more difficult step by the U.S.

¹²¹ Voir/See United States, Department of State, *Bulletin*, Volume XXXIII, No. 841, August 8, 1955, pp. 220-221.

5. Recognition by Canada would, of course, have the right effect in Washington only if it were not premature. Up to the present there has been good reason to think that it would be premature. American opinion would have reacted strongly against our recognition during the height of the Formosa crisis of last spring or in the emotional excitement over the American prisoners. We ourselves would have appeared inconsistent with our own declarations, furthermore, if we had recognized while the Chinese were still behaving in an obviously aggressive manner. The present period of détente, however, might be an appropriate time in which to settle this embarrassing question. Even if the situation should deteriorate later we need not regret having recognized because we would have taken the step necessary for us to deal more adequately with crises. We have not supported the theory that recognition means approval, and we have found diplomatic relations with other Communist countries like the Soviet Union useful in periods of emergency.

6. No one would be so bold as to say that the Chinese Communists have now clearly abandoned all aggressive intentions. Their behaviour at the moment, however, is less obviously offensive than it has been for some time in the past. They have been quiescent in Korea for some time. They may well be violating the Armistice Agreement in Korea by re-enforcing the North Koreans; these charges have never been clearly proved, though I suppose we must accept that the North Koreans are receiving military assistance from China. As for Quemoy, Matsu and Formosa, they have not renounced their intention to use force, but they have been for some time less aggressive in their statements. Chou En-Lai, for instance, has been putting increasing emphasis on seeking a peaceful solution to the Formosa dispute. The present Chinese position is that the question is an internal Chinese matter, which does not concern the United States, but which is capable of solution by negotiation. On July 30, Chou proposed negotiations with the provincial authorities of Formosa, a proposal which represents the first explicit admission by the Chinese Communists that the dispute could be settled by negotiation with a governmental agency more or less closely associated with Chiang. There is also a good case to argue that their intentions vis-à-vis former Chinese territories must be considered in a different category from their behaviour towards Korea and Indochina. It is not certain in fact that this can be properly described as aggression. As for Indochina I think that on the whole it would be difficult to prove that the Chinese, during the past year, have misbehaved badly with regard to the Geneva Agreement. We have had good reason to complain against North Vietnamese behaviour, but in spite of what we know about the central control of international Communist policy we can hardly pin the blame on Peking. As for the importation of war materials from China into Vietnam, it would be difficult for Canada to charge that this has taken place. We suspect that there may have been movements, but the Commission has found no evidence and we have received no reliable proof from other sources.

7. None of this adds up to a clear argument to prove the virtue and innocence of the Peoples' Republic of China. It merely suggests that the arguments against recognition are no longer as strong as they were. We should be careful not to get ourselves into a position where we seem to be demanding positive proof of utter purity from any state we recognize. We do after all recognize the Bulgarians who behave like barbarians.

8. Another argument for recognition at this point is that this direct Canadian contact with China may serve some specific useful purposes. We know that the Chinese do look upon us as somewhat more reasonable and trustworthy than other Western powers without, at the same time having any doubt as to where we stand on major issues. The Indians, the Swedes and the British in Peking have performed useful services, but the Canadians might strengthen the team and perhaps be used for purposes which the others could not so easily perform. The Americans, for example, might rely on our representatives' reports more

even than on those of the British. If we were to send so experienced, fluent, and well connected a man as Mr. Ronning it is conceivable that he might achieve a good deal. At the same time it might be valuable to have a Chinese representative in Ottawa whom we could seek to influence, (although we must bear in mind that he would be in a position to influence improperly our Chinese community.) Such contacts might prove particularly valuable over Indochinese questions during the next year when the future of the Geneva Agreement will be in the balance.

9. A very practical, if perhaps slightly sordid, motive for beating the pack to Peking has to do with property. One might assume that the Chinese would give us pretty benevolent assistance in finding places to live and work in Peking and perhaps a reasonable settlement of our property in Nanking if we took a lead in recognizing them. However, if we were to arrive in company with or shortly after several dozen other contenders, we might find ourselves on the top layer of an old pagoda.

10. There are, of course, arguments against such a step. There is the difficulty of breaking relations with the Nationalist Chinese. These relations, however, have been in a twilight state for some time, and it is doubtful if there would be much difficulty in concluding them. Canadian public opinion has never been very enthusiastic about the Chiang Kai-shek régime even when it has been least friendly to Peking. There might also be an argument against taking a move of this kind so soon after the Geneva Conference lest it be thought that we had been moved by a superficial optimism. It is unlikely, however, that any such step could or should take place for a few months at least. Recognition in the near future would raise the ticklish question of acceptance in the United Nations as well. The British, of course, have recognized but not pressed for acceptance in the U.N. and we presumably could do likewise. Nevertheless a step by us now would certainly cause renewed interest in the subject at the forthcoming Assembly, whereas there is a good deal to be said for not debating this issue this year in New York lest it exacerbate the relations between China and the U.S. at the wrong moment.

11. It has become evident recently that the French attitude to the problem is changing rapidly. About two weeks ago, Mr. Pinay said in the Conseil de la République that the Western powers who have not recognized Peking would have to give consideration to a positive decision in the more or less near future. Such action, however, should be taken in concert with all the Western powers concerned, and particularly the United States. In the meantime, the French Government envisages contacts with Peking on the economic and cultural plane. When our Embassy enquired of the Quai d'Orsay what was the background to Mr. Pinay's statement, we were informed that the French Government intends to move cautiously in the direction of closer contacts with China, and that a French Parliamentary delegation would visit Peking at the end of September subject to the agreement of the Peking authorities.

12. If there is a case for Canada's recognition of Peking, it seems that it might be wiser to put off such a step for a few months at least.¹²² Such an important step would presumably have to be preceded by considerable discussions inside the country and with our Commonwealth friends. Concerted action with Australia and New Zealand might be desirable, and this would require some negotiations. It is a step which I presume the Cabinet would wish to discuss, and I presume, furthermore, that it is not a step which the Government would wish to take soon after the adjournment of Parliament. It may not be too soon, however, to look again at our policy on the subject and possibly to begin some tentative

¹²² Note marginale :/Marginal note:
I agree [L.B. Pearson]

conversations with the Australians and New Zealanders.¹²³ In view of the importance of secrecy you might wish to begin by raising the subject in a personal letter to Mr. Casey.¹²⁴

R.M. M[ACDONNELL]

749.

DEA/50052-B-40

*Note du sous-secrétaire d'État aux Affaires extérieures
pour le secrétaire d'État aux Affaires extérieures*

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

SECRET

[Ottawa], September 6, 1955

RECOGNITION OF CHINA

We have been giving some thought to the factors influencing the study of our policy towards China proposed in your speech in Vancouver.¹²⁵

2. Your statement has attracted interest both in Canada and abroad, but the most notable feature of the reaction has been its mildness. No violent criticism has come to our attention, and the attitude of Washington seems so far to have been pretty temperate. Fairly clear-cut dissent has been expressed in two or three Canadian papers, but approval of your statement and implied approval of a policy of recognizing Peking in the near future has been expressed in such leading newspapers of both political parties as the *Toronto Globe and Mail*, *Vancouver Province*, *Winnipeg Free Press*, *London Free Press*, *Kingston Whig Standard*, and the *Toronto Daily Star*. There have, so far as we are aware, been no statements on the subject from any public men. One has the impression that the country as a whole does not feel very strongly one way or the other, but this lack of feeling may be partly attributable to the dog days.

3. Two other foreign ministers, Mr. Spaak and Mr. Casey, have shown strong interest in your statement and in the direction of your policy and would clearly like to bring their countries along to recognition of Peking in the near future in association with Canada. As Mr. Casey's views seem to be somewhat in advance of those of his colleagues, he would probably like Canadian support to convince them. We have had no reports on opposition on this subject to Mr. Spaak in Belgium, but our impression is that he himself might be prepared to move to recognition whether or not Canada does likewise. The French seem to favour moving towards recognition, but they are more concerned not to offend the Americans and also worried about the South Vietnam reaction.

4. It would seem the wisest policy to sit back for several months at least, encourage public debate, and watch developments in Geneva, Washington, Peking and perhaps even Phong Saly. There are events already in motion, however, which may force our hand

¹²³ Note marginale :/Marginal note:
Yes [L.B. Pearson]

¹²⁴ Note marginale :/Marginal note:

Note for Mr. Macdonnell: When Mr. Pearson gave me this on Sat[urday] at Burnett to return to you he said we should discuss the question with some of our other friends such as the Belgians. The formula he suggested was that we were re-examining our policy in the light of developments and that if these continued as they had, it may be difficult not to do something. J.W. H[olmes]

¹²⁵ Voir/See Canada, Department of External Affairs, *Statements and Speeches*, No. 55/30, August 25, 1955.

somewhat. First and most imminent is the question of the Chinese seat in the U.N. Assembly.

5. Logically, any move towards recognition of Peking should be accompanied by a change in our policy in the United Nations in the direction of supporting their claim to membership. In view of your statement, a good deal of attention will no doubt be paid to our position. This may, however, be an occasion when it will not be politic to be logical, and for substantial political reasons we could adopt the British course of distinguishing between policy on recognition and policy in the United Nations. The State Department are continuing to insist on a moratorium resolution regarding Chinese membership at the forthcoming Assembly. They acknowledge, however, the possibility of a reduced majority. Our policy hitherto has been to support the resolution, and unless we alter it quickly we shall be doing so at this Assembly. A possible alternative to the moratorium resolution which was suggested to you in a recent memorandum, and which Mr. Spaak advocated to Mr. Hébert, is the appointment of an ad hoc committee of the Assembly which would review all aspects of the question including, *inter alia*, the possibility of determining that the Chinese aggression in Korea is now over.¹²⁶ Even if we had recognized beforehand, we would be no more inconsistent than the British if we supported the moratorium resolution. On the other hand, you may consider that the alternative proposal regarding a special ad hoc committee would be a useful card to have in reserve if an acerbitous debate on the moratorium resolution develops, or if a serious possibility arises that the usual majorities in its favour will this year be substantially reduced. It is unlikely that the United States could accept this proposal at the outset, but they might be able to accept it later on as an inevitable compromise.

6. If there were any likelihood of settling the question of the Chinese seat in the U.N. at the forthcoming Assembly, there would be an argument for switching our vote. There is no possibility, however, that the U.S. could yet accept Peking, and there is little to be said for doing so at this time against vigorous U.S. resistance. It is important, however, to endeavour to avoid too acrimonious a debate on the subject at this session, and this may well be an argument for our postponing any further action on recognition until after the Assembly.

7. There are certain other factors favouring delay:

(a) Your statement emphasized that there would be no precipitate action. You spoke of a reconsideration of our policy, and time should be allowed for study.

(b) Action too soon after the Summit Meeting might give the impression that our action was the result of a naive optimism about Communist policy. It may be prudent to wait and see what happens in Geneva at the bilateral U.S.-Chinese talks and at the Foreign Ministers' Meeting.

(c) It would hardly be possible to take a step of this kind before you leave for Moscow. To take action, however, shortly after you return from Moscow and New Delhi might give a wrong impression of the influences under which you acted.

(d) Mr. Sinclair's report on China will no doubt be important in reaching a decision. However, he is due in Ottawa only a few days before you depart, and you may wish to discuss the matter in Cabinet when he is present.¹²⁷

¹²⁶ Voir/See Document 95.

¹²⁷ Sinclair est revenu d'une visite officielle en Union soviétique en passant par la République populaire de Chine en septembre 1955. Aucun rapport n'a été trouvé.

Sinclair returned from an official visit to the Soviet Union via the People's Republic of China in September 1955. No report was located.

8. Factors which, on the other hand, might encourage more rapid action are:

(a) It is none too certain that the détente in the Far East will last indefinitely. From Peking's point of view it must seem that the West has made no concession in return for their restraint. They may well have been persuaded by the Indians (partly no doubt because of your message last February about Mr. Dulles' intention) that if they held back over the off-shore islands, the Americans would by now have got Chiang Kai-shek off Quemoy and Matsu. They also no doubt see the Americans trying to scrap the armistice in Korea, persuading Diem to disregard the elections provisions of the Geneva Agreement in Vietnam, and no progress being made on their position in the U.N. or on trade restrictions. The Americans, on the other hand, say they cannot persuade Chiang to leave the islands, and there is little prospect of a change in U.S. policy in Vietnam, Korea, or the U.N. There are few concessions the West can make at this stage to encourage Peking to restraint. It is possible, however, that a move by Canada and a few other influential countries to break the logjam on recognition would give the Chinese some grounds to hope for improvements which are not brought about by force.

(b) The impatience of India with Western countries over this issue is undoubtedly an important factor in prejudicing it against other Western policies. We may well be in for a precarious period in our relations with India, particularly because of our position in Vietnam. A gesture towards China in the near future would undoubtedly alleviate Indian impatience with our policies.

(c) Your statement has placed you in a position of leadership on this issue, and many governments which believe in recognizing Peking but are more dependent than we on the good will of Congress are undoubtedly looking to you to make a move which would help them. It is possible that other countries — Belgium or Egypt, for example — will take the step regardless of what we do. In a matter of this importance, the maintenance of Canadian prestige should not be a governing factor, but, all else being equal, the chance might be seized for a Canadian initiative which could be a very substantial contribution to the amelioration of international relations.

(d) The important aspect of recognition by us would be its effect on American policy. If we are to take this step, therefore, it might be well to do it before the U.S. election year is far under way and American reactions become flippant and eccentric.

(e) If public discussion continues too long, positions tend to harden. Those who are now flexible and objective may dig themselves into partisan positions.

9. The above considerations do not touch the substance of the issue but only questions of timing. It is not assumed that the argument for recognition of Peking has been established; it is to be studied. If the decision is to be in favour of recognition, however, then these considerations apply. If we are to recognize, therefore, there is something to be said for tentatively setting a target date about the end of the year.¹²⁸ Such a date would be too late to stir up controversy in the Assembly and a respectable time after your return from Moscow and Delhi; it would allow a reasonable period for public discussion, precede by a few months the opening of the election campaign in the States and by a month or so the opening of Parliament. It might be in time to affect Chinese policy before they become rambunctious again. Needless to say, of course, a great deal can happen in the course of the next three months which would make more or less desirable our taking such a course.

¹²⁸ Note marginale :/Marginal note:

I would much prefer that no tentative date be set. Would it not be wiser to agree on a period such as between the end of the year & the 1956 General Assembly? [J. Léger]

10. A course to which we have been given some preliminary attention as a first step or as a possible compromise is the according of *de facto* recognition. A separate memorandum on this proposal is attached. There has not been time as yet for this to be studied by the Legal Division, and its conclusions, therefore, are put forward with reservations.

J. L[ÉGER]

750.

DEA/50055-B-40

*Note du sous-secrétaire d'État aux Affaires extérieures
pour le secrétaire d'État aux Affaires extérieures*

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

SECRET

[Ottawa], September 6, 1955

POSSIBILITY OF ACCORDING DE FACTO BEFORE DE JURE
RECOGNITION OF PEKING

One of the ways in which recognition of a state may be implied is a continuing line of conduct by the recognizing government towards the foreign government concerned. Without taking any of the formal and legal steps associated with full *de jure* recognition, it amounts to *de facto* recognition if, provided the recognizing government shows clear evidence of an intention to recognize, it pursues a course of action which might imply recognition. The recognition so implied may be either *de facto* or *de jure*, but since *de facto* recognition is an act as deliberate and formal as *de jure* recognition, there is no *legal* basis for implying *de facto* recognition more readily than *de jure* recognition. It may be permissible, however, to make a distinction between the two for purely political reasons or if there are unfulfilled conditions of international law.

2. In the light of this doctrine, it might be possible to suggest that the implication can already be drawn from Canadian statements on recognition since, let us say, the conclusion of the Armistice in Korea, that we already recognize the Peking régime as the *de facto* government of the mainland. You or your colleagues have never said, for example, that we would not in any circumstances recognize the Peking Government so long as it remained a communist government. In your recent public statements, the problem has usually been treated as one of timing. You have said that recognition depends not on approval or disapproval of a government being recognized, but (in the case of Communist China) on that Government's pursuing a course of conduct which would result in a more favourable atmosphere for the re-consideration of our policy of non-recognition. In short, it has already been implied that once certain objective conditions have been fulfilled, full *de jure* recognition would be granted.

3. There may be other ways in which *de facto* recognition of Peking by Canada has been implied. Any incidents of contact with the Chinese Government, such as the negotiations concerning the release of Squadron-Leader MacKenzie and our participation in the Geneva Conference a year ago, while not in themselves constituting acts from which recognition could be implied, nonetheless do form part of the larger pattern of Canadian policy.¹²⁹ You might also recall that when the question of withdrawing recognition from the Nationalist Government was canvassed in 1951, we determined that if the Department were requested

¹²⁹ Voir/See Canada, Department of External Affairs, *Press Release*, 1954, No. 32.
Voir aussi/See also Volume 20, Document 50.

even then to provide a certificate regarding the respective jurisdictions of the Peking and Formosa governments, our certificate would have been given in accordance with the facts.¹³⁰

4. If you consider that the possibility of according *de facto* recognition before *de jure* recognition is worth exploring, we could examine it carefully from all angles, including the legal ones. We might also seek Indian views on it, particularly as to whether the Peking Government would welcome such a start.

5. To give effect to *de facto* recognition would probably involve indicating the Government's intention to accord it, i.e., a public statement on the subject. The advantages, as we see them, of making such a statement before the opening of the General Assembly and before you leave for Moscow would be the following:

(a) You might find it useful in your talks in Moscow and New Delhi to have *de facto* recognition clearly on the record;

(b) It would indicate to the Chinese that we are not blind on this subject and would provide tangible evidence to the world at large of our long-term intentions;

(c) Since it might be possible to accord *de facto* recognition to Peking without concurrently withdrawing *de jure* recognition from the Nationalists, the question of the ultimate disposition of Formosa would be left open for further study in the light of developments, and might only need to be settled at the time we accord full *de jure* recognition to Peking. The disadvantages of publicly stating our position would also have to be carefully considered, particularly as *de facto* recognition might not have any marked effect on the conduct of the Peking régime and might only be regarded by them as an unnecessary delaying tactic. *De facto* recognition would also be a step which, while in accordance with the political and legal facts of the situation, might not be much easier than *de jure* recognition to revoke if the Peking Government should happen to attack Formosa.

J. L[ÉGER]

751.

DEA/50055-B-40

*Note de la Direction de l'Extrême-Orient
pour le sous-secrétaire d'État aux Affaires extérieures*

*Memorandum from Far Eastern Division
to Under-Secretary of State for External Affairs*

SECRET

Ottawa, September 30, 1955

RECOGNITION OF COMMUNIST CHINA

I thought you might like to know where we stand legally on this question. We have been exploring how close the Minister's public statements and our dealings with the Communist Chinese on such matters as Squadron/Leader MacKenzie's release might have brought us to *de facto* recognition of the Peking Régime. A related question was "How long a step would we have to take to make recognition an accomplished fact?"

2. The opinion of the Legal Division is that:

¹³⁰ Voir aussi/See also Volume 17, Document 949.

(a) Neither the Minister's statements nor any of our dealings with the Communist Chinese can be held to constitute recognition. Recognition is a matter of intention and we have not intended by our past acts or statements to extend *de facto* recognition.

(b) We are in a position to extend *de facto* recognition any time we consciously choose to do so; we could adduce our doubts about the willingness of the Peking Régime to fulfil its international obligations as a reason for continuing to withhold *de jure* recognition.

(c) We would not have to explain publicly why we chose to extend *de facto* instead of *de jure* recognition.

3. The possibility that it would have been useful to the Minister in his talks at Moscow and New Delhi to have *de facto* recognition a matter of record was our chief reason for toying with the idea in the first place. I am, therefore, inclined to think that we should now abandon the notion of extending *de facto* recognition as an intermediate step.¹³¹ If the Chinese should get the impression that our recognition policy towards them is equivocal and hedged about with private reservations, it is not likely to enhance the atmosphere in which we shall be dealing with them once we are established in Peking. We should rather think in terms of extending full *de jure* recognition without any reservations whenever we take the basic decision to recognize. In the meantime, however, this exercise has clarified our present legal position quite considerably.

J.R. MCKINNEY

752.

DEA/50352-40

*L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures
Ambassador in United States
to Secretary of State for External Affairs*

TELEGRAM 2051

Washington, December 16, 1955

SECRET

Reference: Our telegram No. 2009 of December 7, 1955.†

CHINA POLICY

At the meeting of consultation on December 5¹³² the points of view of our two Governments on the China situation were restated; in particular on (a) the recognition of Communist China, and (b) the offshore islands and Formosa. The divergence of views was noted. More important perhaps was our agreement that this divergence be examined having in mind the capital which might be made by the Communists (not alone in China) of a split in the free world's ranks.

2. There was no elaboration at the meeting of what might follow on this recognition of a divergence of attitude. It occurs to us that the time may have come for us to put to the State Department with some precision and on paper (albeit informally) a fully rounded statement of the Canadian position on China. It can of course, be argued that the Canadian attitude has been stated on a number of occasions both in public and in private. Such statements

¹³¹ Note marginale :/Marginal note:

I agree. After the Minister's return we might have a somewhat clearer picture. J. L[éger]

¹³² Voir/See Document 307.

have tended, however, to relate to specific aspects or situations rather than to the problem as a whole. Perhaps then we should take the opportunity following naturally from this recent meeting of consultation to set out our whole case.

3. The principal object of such an exercise, as we see it, would not be so much an attempt to bring about a radical change in current United States China Policy, no matter how much we might welcome some change; it would be two-fold; (a) to clear up any misunderstanding of our own position which may still exist in the State Department; and (b) to find out exactly wherein our views diverge from those of the United States. We should have in mind the question: why is it that, while the Canadian and United States Governments agree on many of the basic facts of the China situation, our separate processes of thought lead us to differing conclusions on specific aspects of the problem? We agree on the Communist orientation of the leaders in Peking. Our ideas on the threat which an expansionist China poses to the interests of the free world in Asia are similar; what differences exist in our views in this context are more of degree than of substance. Our appreciations of the strategic importance of Formosa are not greatly different. Neither of us believe that the nationalists on Formosa should be thrown to the wolves. This in turn leads to a measure of likemindedness on some future separate existence for Formosa. Yet at the end of this logical train of agreed thought we differ on the important matter of recognition and on the desirability of defending the offshore islands. It would seem as well that there is some difference of outlook between us on the desirability of military pacts such as SEATO and on the application in specific instances of the policy of containment of Communist China.

4. Upon a number of occasions when policy towards China has been discussed between Canadian and United States representatives, the customary phrase "we understand one another's position" has been used. We have a somewhat uneasy feeling that, on the United States side at least, the correct phrase might rather be "we take note of your positions". That is to say we are by no means satisfied that U.S. authorities really comprehend the logical process by which we have reached our conclusions.

5. It seems to us therefore, that on a matter of such critical importance and of such complexity as the China problem, it is essential that, on each side, we appreciate fully wherein Canadian and United States views diverge and why. It might not be too sanguine to hope that, if State Department officials were confronted with a well-argued and complete case for the Canadian point of view and required to indicate wherein they disagreed with specific steps in our argument, they would be impelled to do some re-thinking of their own position. We are not certain that United States officials, let alone outsiders, understand where current United States China policy is supposed to [lead in] the future.

6. The kind of paper we have in mind would distinguish between recognition of Communist China, and the threat of Chinese expansionism (particularly with respect to Formosa and the off-shore islands). It is, of course, obvious that these are elements of a single problem but it is possible, we think, to look upon them as separate if interwoven strands. And it can be argued that these two elements in the same situation could be treated by different methods. In other words, it may be possible to recognize the Communist Chinese Government for what it is — the Government in effective control of the mainland of China — while at the same time recognizing the need for a policy of containment of Chinese aggressive tendencies by drawing a line (preferably a defensible one) in the Formosa Straits.

7. With the above considerations in mind, we have tried our hand at an outline of a paper. This outline is included in our immediately following teletype. We should add that it is by no means a complete outline even of our own thinking. We have not mentioned the question of Chinese Communist representation in the United Nations, although presumably it

should be touched on in any such paper. Certainly the paper does not include all the considerations which would be apparent in Ottawa. There is no mention of what possible further commitments Canada might be prepared to assume in the area with a view to making some change in current United States policy easier. We have deliberately excluded any discussion of United States views. The main lines of United States thinking you know and, in any case, the paper we have in mind would be primarily a full statement of the Canadian case. The outline we submit then is only an illustration of what we have in mind in the event that you considerable favourably our general suggestion that some such statement of the Canadian position could usefully be brought to the attention of United States authorities at this time. At a later stage, if you think there is merit in our recommendation, we should like to offer some suggestions as to the tactics involved, i.e., the level at which we should approach the State Department, the timing of the presentation of our views, and the degree of formality of the Canadian paper.

A.D.P. HEENEY

753.

DEA/50352-40

*L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures*
*Ambassador in United States
to Secretary of State for External Affairs*

TELEGRAM 2052

Washington, December 16, 1955

SECRET

Reference: My immediately preceding telegram No. 2051 of December 16, 1955.

CHINA POLICY

The paper might begin with an outline of the basic elements of agreement between the Canadian and United States Governments. The present Government on the Chinese mainland is a revolutionary Government. Its leaders are doctrinal Communists. They share both the enthusiasms and the misapprehensions of all Communists regarding the Western world. There is a close working partnership between Peking and Moscow which, for the time being at least, has glossed over the natural differences which traditionally have existed between China and Russia. The goal of the Peking régime may well be to gain influence over the whole of Asia; this partly because of the militant evangelism of Communist doctrine and partly for the fundamentally nationalist reason of a desire to extend Chinese power and influence. It is in our general interest and that of the free world to ensure that these expansionist Chinese tendencies be kept within reasonable bounds.

2. The paper might then go on to examine in general terms the main elements in Canadian thinking. A rigid and inflexible policy of military [containment] combined with the attempt to isolate the Peking régime politically (and for the moment economically as well) from the non-communist world was likely to increase rather than modify whatever aggressive tendencies (whether doctrinal or nationalist) are ascribed to the Peking régime. There was a good deal to be said for deliberately establishing contacts with Communist China, while at the same time maintaining a strong position in defence of essential free world interests. If our difficulties stemmed, in part, from lack of understanding on the part of the Chinese Communist leaders of the real objectives and strength of the free world, there

must be something to be said for an attempt to expose them to the facts of life at close quarters. The present "stand-offishness" tends to confirm the preconceptions of the Communist Chinese concerning the West, and particularly concerning the United States.

3. The paper might then deal with recognition and the problem of Formosa and the offshore islands separately. On recognition, the Canadian position might be restated, namely, the traditional historical position that recognition of a government does not involve approval. It is a fact, however unpleasant, that a Communist Government controls the mainland of China. It should be possible to explain a policy of recognition without approval of the régime in Peking in a way which would keep to a minimum the injurious effect of recognition on the morale of smaller non-communist States in Asia and the overseas Chinese population of Southeast Asia. Recognition would not necessarily involve any change in the policy of military containment of Chinese expansionism. Support could still be promised and rendered to the fledgling independent states of Asia against any avaricious Chinese designs.

4. Turning then to Formosa and the offshore islands, the view might be expressed that it was possible to draw a firm military line in the area without insisting on a crusade for the destruction of Communism or indeed for the overthrow of the Communist Government of mainland China. At the moment the NATO concept was simply not applicable in the Far East. The states neighbouring on China had neither the resources nor the will to combine in the face of a potential enemy. Indeed, many of these states did not recognize China as the potential enemy. In the circumstances, therefore, the military line should be drawn in the fashion which would least disturb the susceptibilities of such a friendly Asian state as India. No doubt there would be a divergence in this context between political and strategic requirements. Some compromise would be essential. In considering Formosa and the offshore islands it was possible to argue that both our military and political requirements could be met with very little change in current strategy. The offshore islands at the moment are difficult to defend whether militarily or politically. A successful military defence of the islands would, willy-nilly, involve the United States and, perhaps automatically, the free world would be at the "brink of the chasm". Politically, many states regarded the offshore islands as part of the mainland.

5. The regroupment of Chinese nationalist forces on Formosa would put the straits between the opposing forces. If the Chinese Communists had aggressive intentions they would have to declare themselves more completely in these circumstances than was currently the case. There was a certain amount of sympathy even in Asia for a separate existence for Formosa divorced from mainland control. Withdrawal from the offshore islands was not retreat and an explanation of such a withdrawal might be made to appear as a consolidation to a position of greater strength and not as a retreat in the face of superior force. The face-to-face confrontation of opposing forces at the moment was almost bound to provoke fighting and perhaps in a manner which would not suit the long-term interests of the free world. If there was merit in drawing a firm line of containment, it was reasonable to draw the line in such a fashion as to achieve the maximum military advantage with the minimum political disadvantage.

6. These then are a few ideas which have occurred to us here. We might stress (again?) that we are less concerned at the moment in developing the exact arguments which might appear in the Canadian paper. Our main interest has been to put before you the suggestion that we should submit to the State Department in the not too distant future a full outline of the Canadian position on China. The kind of step by step joint appraisal of the China

situation which we believe might result from such an initiative on our part would, we believe, serve a useful and, indeed, an essential purpose.

A.D.P. HEENEY

754.

DEA/50352-40

*L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures*
*Ambassador in United States
to Secretary of State for External Affairs*

TELEGRAM 2069

Washington, December 21, 1955

SECRET

Reference: Your telegram Y-2112 of December 20, 1955.†

CHINA POLICY

When, in my conversation with the Secretary of State this morning, we had disposed of the U.N. new members (my telegram 2068),† we went on to discuss in more general terms the problem of consultation between our two Governments. Mr. Dulles, once more, emphasized the importance which he and the State Department attached to the closest possible contact with us, particularly respecting subjects upon which our attitudes might diverge.

2. Given this opportunity, and because I had raised previously with Merchant in a purely personal way the suggestion put forward in our telegram No. 2051 of December 16, I then put to Mr. Dulles, very tentatively and on my own responsibility, the outline of our proposal. I said that at the moment you were considering whether or not to suggest that we sit down and examine together the processes by which our respective attitudes on China had been reached and the elements of which our respective policies were composed. I went on to say that it occurred to us in the Embassy here that such a deliberate and informal exercise might be of value on both sides.

3. Mr. Dulles reacted very favourably and without hesitation. He said that it was of great importance that we should discuss and examine our differences (and he referred particularly to the Far East with a view to seeing whether they could not be composed). Frequently there were differing appreciations of fact which led to conflicting conclusions. Years ago, when he was advising the State Department in connection with Japanese Treaty, he had been "brash" enough to suggest in a meeting that a similar effort be made to prevent U.K. and U.S. policies coming into conflict in the Far East. This would have been a useful exercise because U.K.-U.S. differences had operated to frustrate the objectives of both governments. But it had not been undertaken.

4. Canada and the United States, Mr. Dulles went on, should profit by experience. He would be glad to have a joint study, such as I had suggested, undertaken. It would have to be more than a "one shot" exercise — rather a continuing process (after the first thorough-going joint examination had been made).

5. I said that, when I had heard from you on the subject, I would be in touch with the State Department and, if you had given your approval, would then consult his advisers on the next procedure to adopt. Both Hoover and Merchant were present during this conversation and I told them that they would be hearing from us before very long.

6. In view of the Secretary's favourable reaction I am satisfied that we should push on and see what can be accomplished. At the worst, as I said to Merchant afterwards, we will have a better understanding of the reasons which have led us to different conclusions.

[A.D.P.] HEENEY

755.

DEA/50055-B-40

*Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis*
*Secretary of State for External Affairs
to Ambassador in United States*

TELEGRAM Y-2128

Ottawa, December 23, 1955

SECRET

Reference: Your telegram 2069 of December 21.

CHINA POLICY

In view of the interest — and I hope it will be an active and continuing interest — shown by the Secretary of State in a joint examination of our respective policies on China, I have agreed that work should begin here on a paper setting forth the Canadian viewpoint and what we understand to be the main points of conflict with the United States position. One such paper relating primarily to the future of Formosa and the offshore islands questions has been under preparation for some time, but it will need to be broadened in scope to be appropriate for the kind of consultation now proposed. My own inclination is to see what conclusions we reach before finally deciding whether to approach the Americans and at what level. Quite frankly, the problem which most concerns us is the difficulty of conducting really useful consultations on China if the Robertson-dominated element in the State Department are speaking for the other side. We shall have to ensure that the consultations amount to something more than a convenient opportunity for the American side to criticize particular aspects of Canadian policy while paying only passing attention to the fundamental differences in approach which have led our policies to diverge. I have the impression that Robertson and most of his Far Eastern advisers are not really free agents to discuss anything but the established United States policy on China — an important element of which has been to keep her allies in line — and that in an election year they are likely to be even less flexible than usual. On the other hand, Mr. Dulles' personal interest is encouraging and might have a salutary effect on the people with whom we would be dealing. If you would like to send us your views on this particular aspect of the problem at an early stage it would be quite helpful.

2. As to timing, I expect that it will take us at least a month to get ready. I hope that this is not too much longer than you were contemplating when you spoke to Dulles and Merchant, but as this will be by no means a simple exercise, I am anxious that it be handled on the Canadian side with plenty of care and preparation.

L.B. PEARSON

756.

DEA/50352-40

*L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures*
*Ambassador in United States
to Secretary of State for External Affairs*

TELEGRAM 2109

Washington, December 30, 1955

SECRET

Reference: Your 2128 of December 23.

CHINA POLICY

Your telegram under reference leaves us with the impression that perhaps we failed in some measure in our telegrams 2051 and 2052 of Dec. 16 to make clear the main purpose which we had in mind in suggesting a Canadian initiative on the matter of China policy discussions with the State Department. Too prominent mention in our recent telegrams on this matter of "points of agreement and disagreement between Canadian and United States policy" may perhaps have been responsible.

2. The difficulty may in part also be a problem of words. What we had in mind was not so much *consultation* but rather an *exposition* of views. In our view the main reason for the discussions we have suggested would be to achieve a fuller understanding of each other's position. In that sense the discussions might be thought of in terms of Canada-U.S. relations rather than in terms of the China policies of our two governments. It might be helpful if we were to set out schematically the various phases of the initiative as we would envisage them:

- (i) the discussion at the meeting of consultation on December 5;
- (ii) preliminary consideration in Ottawa and Washington of next steps;
- (iii) further informal discussions with the State Department on the nature of the exercise;
- (iv) exposition of each other's views on the basis of prepared papers;
- (v) preliminary discussion of the papers to ensure full understanding of their meaning;
- (vi) discussion of the substance of the papers with a view to the possible harmonizing of divergencies.

3. We might offer further brief comment on each of these phases. Phase (i) has been completed. At the meeting on December 5 senior officials of our two governments agreed that a serious look should be taken at our separate policies with respect to China. The meetings of consultation are in themselves indicative of the degree of cooperation between the Canadian and United States Governments. If they are to continue to be useful, action should be taken to follow up agreements in principle which are arrived at in the course of the meeting. One such agreement in principle, that on alerts procedure, has been followed up. It happened that the political question on which further action was called for was China policy.

4. Phase (ii) has been embarked upon. You have expressed some general interest in the idea of a joint examination of our respective policies on China although we note from your telegram under reference that you wish to conclude your examination of Canadian policy before finally deciding whether to approach the United States Government. Mr. Dulles, in speaking to the Ambassador (our 2069 of Dec. 21), reacted favourably to the idea of a joint

examination of policy and also took the view that we should not have in mind a "one-shot exercise". Our suggestions for a Canadian initiative in the matter were based, as we stated in our telegram 2051, on our uneasy feeling that United States authorities may not fully comprehend the logical process by which Canadian conclusions have been reached. The essential purpose of the exercise would be the exchange of information.

5. Phase (iii) would come if you decide finally that an approach should be made to the State Department, such an approach to take place a few weeks before arrangements were made to present our paper. In this phase the object would be to delimit the exercise. We agree entirely with you that we should ensure that our initiative is met with a like response from the United States side. We should not simply set our policy up as a target for impromptu criticism.

6. Phase (iv) would involve the exchange of papers. We think it would be unproductive if either of the papers underlined the main points of conflict between the Canadian and United States positions. They will become apparent upon comparison of the two national papers. We would not expect that there would be much discussion of the papers at this stage.

7. Phase (v) would still be essentially exploratory and informative. It could not be expected that papers written separately would necessarily cover exactly the same ground nor is it likely that the import of all the arguments in the separate papers would be immediately apparent. There would be some need, therefore, for oral elaboration of the papers, and possibly some modifications in their drafting could usefully follow.

8. Phase (vi), of course, would be the most difficult. At this stage there would probably be criticism of particular aspects of each other's policies. This does not strike us, however, as something to be avoided. Constructive criticism is always helpful and destructive criticism cannot harm a good case. It is our view, however, that at this stage effective consultation could take place for by that time each side should understand the other's attitude. It might prove that each side still chose to follow its original policy unchanged. It is not impossible that there are two equally valid methods of dealing with the China problem — one most appropriate for Canada and the other for the United States — which, if properly meshed, would constitute the strongest policy for the alliance vis-à-vis Communist China. The success of the discussions as a whole would in our view be measured more in terms of the understanding reached between the two sides rather than in any agreement on policy which they might achieve.

9. In the initial phases, as we saw them, the personalities on the United States side, and indeed the fact that 1956 is an election year in the United States, would not be of major importance. Our idea is that each side should examine the fully-stated case of the other, with the primary view of understanding it. Personalities and circumstances cannot impinge too sharply on statements of fact. Only in the last phase, when it came to making suggestions for harmonizing the cases, would such factors affect the ease or difficulty of the discussions.

10. In your telegram under reference you asked for our views on this question of personalities and circumstances. These are questions on which it is difficult to offer firm advice for they are essentially matters of opinion rather than of fact. With this difficulty in mind, then, we might offer our comments on your concern at the difficulty of conducting really useful discussions on China "if the Robertson-dominated element in the State Department is speaking for the other side." This phrasing suggests a belief that Robertson's views are in some sense different from the views of the United States Government. In our opinion they are not. We have suggested (our 1619 of Sept. 22,† for example) that perhaps Dulles

is somewhat more flexible in his personal views on China than Robertson. We have never suggested, and we have seen no evidence, that there is conflict between the views of the two men when they speak in their official capacities. In other words, Robertson (and his officials, of course) when speaking officially voice the established policy of the United States Government. Until that policy is changed, we cannot expect him or his subordinates to do otherwise. We might have that policy — including the idea that the allies of the United States should stay on the team — explained more attractively and informally by other senior officers of the State Department. They could not be expected, however, to depart substantially from established United States policy.

11. Perhaps it would be useful if we mentioned a specific example of the kind of exchange of views which we have in mind, and this a recent one. We believe that the memorandum which we left with the State Department on political objectives in Laos (your Y-2048 of Dec. 5)¹³³ was close to what we have in mind with respect to the China problem. We believe that the State Department was inclined prior to receipt of that memorandum to question the wisdom of some of our specific moves on the Commission in Laos primarily because officials could not be brought to understand how these actions fitted a logical pattern. The effect of our presentation of the memorandum, therefore, was to make more apparent the reasons for specific Canadian actions. More, however, was achieved than simply this. In the United States response which was finally made to our memorandum (our 2084 of Dec. 23/55)¹³⁴ the State Department was forced admit the strength of our case and to modify certain United States views on the matter. Our explanation did not, of course, bring about a complete change in United States views on the matter of the link between the settlements in Laos and Vietnam. The upshot, however, was to clear away misunderstanding which might have existed between us on the question, and which might at some stage have arisen to bedevil Canada-U.S. relations. Our paper on China policy would be a good deal more complex than was the case with the Laos paper under reference but in our view it would not be essentially different in nature.

12. While in principle it would, we think, not be wise to let this project grow cold, we would share your view that the Canadian paper on China policy should not be rushed. It is important that it be a complete and careful statement of our position if it is to have the kind of impact on the State Department which we would wish.

¹³³ Voir/See Document 697.

¹³⁴ Voir/See Document 704.

5^e PARTIE/PART 5CONFLIT CORÉEN : RETRAIT DES TROUPES CANADIENNES
KOREAN CONFLICT: WITHDRAWAL OF CANADIAN TROOPS

757.

DEA/50069-A-40

*Note de la Direction de l'Extrême-Orient**Memorandum by Far Eastern Division*

TOP SECRET

[Ottawa], January 18, 1955

WITHDRAWAL OF CANADIAN TROOPS FROM KOREA¹³⁵

It has been suggested that the forthcoming Commonwealth Prime Ministers' Conference might provide the occasion for a useful discussion to determine the conditions in accordance with which a final withdrawal of Commonwealth troops from Korea could be accomplished. (Letter to Under-Secretary of State for External Affairs from Chairman, Chiefs of Staff of December 30, 1954, † copy attached.)

2. Canada's military contribution to the Korean conflict resulted from obligations accepted by this country under the terms of two United Nations resolutions. On June 27, 1950 the Security Council recommended by resolution that "the members of the United Nations furnish such assistance to the Republic of Korea as may be necessary to repel the armed attack and to restore international peace and security in the area". On July 7 it approved another resolution calling on all members providing military forces to make them available to a Unified Command under the United States. In a note to the Secretary General of the United Nations dated September 26, 1950 our Permanent Representative stated that the Canadian Army's Special Force, upon reaching a satisfactory state of training, would "be made available for combat service with the United Nations Forces in Korea as required".¹³⁶

3. The extent of our present military commitment if the armistice should collapse as a result of further aggression from North Korea is delineated by a sentence contained in the Warning Declaration signed on July 27, 1953 shortly after the conclusion of the Armistice Agreement by the representative of Canada and of the other fifteen nations which had participated in the United Nations military effort. This sentence reads: "We affirm in the interests of world peace that if there is a renewal of the armed attack challenging again the principles of the United Nations we should again be united and prompt to resist."¹³⁷

4. Canada might be considered to have some responsibility deriving from the provision of the Armistice Agreement which enjoins the military commanders of both sides to protect the Neutral Nations Supervisory Commission (NNSC) and its inspection teams. This task could not be left to South Korea in view of its hostility towards the Commission and its instruments generally, and their Czech and Polish members particularly, and its refusal to recognize the continued existence of the Armistice Agreement.

¹³⁵ Cette note, basée sur des suggestions de Foulkes et Campney, a été approuvée par Pearson.

This memorandum, based on suggestions from Foulkes and Campney, was approved by Pearson.

¹³⁶ Voir/See Volume 16, Document 79.

¹³⁷ Voir Canada, Ministère des Affaires extérieures, *Affaires Extérieures*, volume 5, N° 9, septembre 1953, p. 272.

See Canada, Department of External Affairs, *External Affairs*, Volume 5, No. 9, September 1953, p. 268.

5. Our support of the United Nations objectives in Korea is a matter of record. The General Assembly most recently reaffirmed these by a resolution of December 11, 1954, to which we subscribed: they remain "the achievement by peaceful means of a unified, independent and democratic Korea under a representative form of government and the full return of international peace and security in the area".

6. *Would the withdrawal of our troops from Korea be consistent with the obligations we have assumed there?*

7. It might be argued that in the absence of a Korean settlement, those Commonwealth countries which have been most conscious of their responsibilities as members of the United Nations should leave at least token forces in Korea to guard what has already been achieved by the United Nations there. The Armistice Agreement, although binding on both sides until superseded by another mutually acceptable agreement, is still an interim arrangement and the Commonwealth countries which sent troops to Korea to further United Nations objectives should not withdraw them all until it is quite clear that their presence no longer serves a useful purpose. There is still no peace in Korea, and United Nations objectives have yet to be realized.

8. On the other hand, it could be said that the withdrawal of our troops would be consistent with our obligations for the following reasons:

(a) The Union of South Africa, which assumed the same obligations relating to Korea that we did, has withdrawn its military contribution without being criticized as having shirked any responsibilities. Of the non-Commonwealth countries concerned, Colombia, Luxembourg and the Netherlands have withdrawn all their troops, also without being subjected to adverse criticism.

(b) The words of the Warning Declaration quoted in paragraph 3 do not say *how* we should be prompt to resist in the event of a renewed communist attack and therefore we cannot be regarded as having to leave troops in the area to meet this obligation.

(c) As the Canadian representative stated before the General Assembly on August 19, 1953 "all that the United Nations ever undertook to do by armed force has been accomplished. The aggression has been repelled."¹³⁸

(d) Only a distorted interpretation of United Nations objectives would require us to leave military forces in the Korean theatre indefinitely. We have met our obligation to seek a peacefully united Korea through our attendance at the Geneva Conference and will continue to meet it through the appropriate instrumentality of the United Nations which remains seized of the problem. Presumably, the two United Nations objectives are consistent with each other. Thus if Korea is to be unified peacefully then peace and security in the area cannot be restored by force. Moreover, while the Armistice Agreement is not a peace treaty, it has made for a cessation of hostilities. Finally, the phrase "restoration of international peace and security in the area" should be considered a broad one, with at least as many political as military implications.

(e) Concerning the protection of the NNSC, no particular responsibility seems to devolve on this country. The Canadian view has been that the two sides of the Armistice Agreement consist of the communist powers on the one hand and the United Nations on the other. The General Assembly has approved of the Armistice Agreement. Therefore, it

¹³⁸ Voir Nations Unies, *Documents officiels de l'Assemblée générale, septième session, première commission*, 615e séance, 19 août 1953, pp. 729-730.

See United Nations, *Official Records of the General Assembly, Seventh Session, First Committee*, 615th Meeting, August 19, 1953, pp. 709-710.

would seem to follow that Canada has no more responsibility concerning the NNSC than any other United Nations member which supported the resolution approving the Agreement. It might be argued that Canada having contributed troops during the fighting has less responsibility to keep them there to protect the NNSC than a country which has consistently supported United Nations objectives by its vote in the General Assembly but has not sent any forces. Finally, there is a strong possibility that either the Swiss or Swedes, or the United States, will take action in the near future either to reduce the NNSC to little more than a token organization or to render it inoperative at least in South Korea.

9. It might be mentioned here that the withdrawal of our troops probably need not entail the recall of the Canadian destroyer now on duty in the Korean theatre. The destroyer by remaining there in these circumstances could provide concrete evidence that we were not neglecting our military obligations.

10. *Is it now opportune to take up with the Commonwealth countries concerned the question of withdrawal of forces with a view to subsequent consultations with the United States?* The following arguments may be listed in support of an affirmative answer:

(a) The armistice has become more of a fixed reality. The Geneva Conference provided evidence that the United States on the one hand and the Soviet Union and Communist China on the other were prepared to live with the situation resulting from the Armistice Agreement. Communist China has followed the United States lead in South Korea and has reduced substantially its forces in North Korea. The danger of President Rhee breaching the armistice in a manner calculated to bring about a resumption of hostilities has declined, and there is no evidence that the North Korean régime has further direct aggressive designs.

(b) Differences between Canada and the Republic of Korea (ROK) as to the principles upon which the unification of Korea should be based became evident during the Geneva Conference and since that time certain ROK authorities have on occasion misrepresented Canadian views.¹³⁹ Thus in November this country and the United Kingdom were falsely accused of seeking to promote in the General Assembly a compromise election plan for unifying Korea which would involve an international commission, on which communist states would be represented, to supervise elections throughout Korea. A demonstration against this alleged plan of some 20,000 Koreans was organized in Seoul. According to radio reports the Korean Foreign Minister has since explained to the National Assembly that he was able to prevent the plan from being put forward through his activities in New York. In these circumstances it is doubtful that the ROK Government attaches the same importance to the continued presence of Canadian troops as it did, say, during the period immediately following the armistice.

(c) The United States has not informed us of its future military plans relating to Korea. We do know, however, that the United States is building up ROK military strength and that it intends to reduce its forces to one division next spring. The concern of the United States with the Korean problem goes beyond the concern of Canada which is that of a responsible member of the United Nations. Korea represents but part of the pattern of United States defence interests in the Western Pacific. Basic to these interests is the concept of mobility. However, the continued stationing of our troops in Korea would seem to impede our defence mobility. Recently the ROK and the United States ratified a mutual defence treaty, which was signed as long ago as August 8, 1953. Under the treaty the United States has the

¹³⁹ Voir par exemple volume 20, le chapitre premier, 2^e partie. See for example, Volume 20, Chapter I, Part 2.

right to bases in Korea and the treaty should form the basis of future United States continues to have troops in Korea should not unduly inhibit us from taking our forces out.

(d) The continued presence of our troops in Korea inhibits us to a considerable extent from expressing views in the United Nations and elsewhere concerning the Korean problem may be solved. Such presence tends to put a premium on our conforming with the United States-ROK views in the matter.

11. *Do other Commonwealth countries wish to withdraw their troops?*

12. It may be that New Zealand, the United Kingdom and Australia will wish to retain present forces in Korea for eventual employment of some of them as a strategic reserve in the Southeast Asia area. There seems no reason why Canada should agree to leave troops indefinitely to support this objective, since the territory most likely to form the eventual base in Malaya, and a speedy transfer of troops there should pose no insuperable obstacles. Although Canada is not a member of the Southeast Asia Defence Organization, we are making an important contribution to peace and security in the treaty area through our membership on the three International Supervisory Commissions in Indochina — a contribution which has made for a relatively large drain on our officer strength.

13. Should the other Commonwealth countries concerned strongly wish to keep troops in Korea, then the question arises of whether we should unilaterally cut back the strength of our ground forces. Since this would involve a delicate matter of Commonwealth relations, it would require further reflection. Perhaps our leaving of an ambulance unit might meet the requirements of the situation.

14. *If the Commonwealth countries concerned favour a troop withdrawal to what extent should the United States be pressed to concur in this view?*

15. Perhaps the United States, wanting at least token United Nations military representation to remain in Korea, will wish such representation to come from Commonwealth countries. In addition to advancing such United Nations considerations as that it is yet too early for Commonwealth troops to withdraw, the United States may argue that the implementation of this action while its own forces remain will create domestic political problem. The United States having borne the brunt of the fighting in Korea and still having by far the greatest number of foreign troops there, deserves to have its views given careful consideration. Nevertheless, since a good case can be made out that continued stationing of United States troops in Korea is partly dependent on United States interests lying outside the United Nations frame of reference, the Commonwealth might pursue a rather firm line in Washington. If, however, discussions there should indicate the desirability of our maintaining some troops rather than, or in addition to, naval representation in Korea along with the other Commonwealth powers concerned, then there would seem to be political merit in the suggestion of the Chairman, Chiefs of Staff that only our Field Ambulance Unit should be left.

758.

DEA/50069-G-40

*Le haut-commissaire au Royaume-Uni
au sous-secrétaire d'État aux Affaires extérieures*

*High Commissioner in United Kingdom
to Under-Secretary of State for External Affairs*

PERSONAL AND SECRET.

London, February 11, 1955

Dear Jules [Léger],¹⁴⁰

I assume that you will have seen Air Vice Marshal Smith's telegram to General Foulkes (CJS(L)42 of February 9th¹⁴¹ reporting on the meeting at the Commonwealth Relations Office regarding reduction of the Canadian commitment in Korea.

We have now received the enclosed note on this meeting, circulated by the C.R.O., addressed to Ross Martin. I have had an extra copy made for your files, and should be grateful if you would pass on the original.

As you will see, this note is not quite an accurate account of what transpired, since it leaves the impression that all at the meeting had agreed that it would be bad tactics to approach the United States at this time, and that it would therefore be best to delay this approach, and since it quotes Air Vice Marshal Smith as saying that his Government would probably continue with its present arrangements for the relief of the Canadian battalion. In fact, these were questions which were to be left for Ministers to consider, and Smith is getting in touch with the C.R.O. to correct any misconceptions they may have.¹⁴²

Yours sincerely,

N.A. ROBERTSON

[PIÈCE JOINTE/ENCLOSURE]

*Compte rendu**Minutes*

[London], February [8], 1955

Present

United Kingdom

Sir Saville Garner, K.C.M.G.

Mr. W.A.W. Clark, C.M.B., C.B.E.

Canada

Air Vice Marshal D.M. Smith, C.B.E., C.O.

Mr. R. Martin

¹⁴⁰ Note marginale :/Marginal note:

Seen R.A. M[acKay]

¹⁴¹ Non retrouvé./Not located.¹⁴² La pièce jointe reproduite ici est une version corrigée.
The attachment reproduced here is a corrected version.

Australia

Mr. A.H. Tange, C.B.E.

Mr. L.R. McIntyre, O.B.E.

New Zealand

Mr. A.D. McIntosh

The meeting was called at Canadian request to consider the possibility of further reduction or withdrawal of the Commonwealth forces from Korea.

Sir Saville Garner said that there had been a brief reference to this at the meeting on Friday, 4th February, between the United Kingdom, Australia and New Zealand. The Foreign Secretary had remarked that the Commonwealth could not really afford to keep forces locked up in Korea indefinitely.

Air Vice Marshal Smith said that Canada had in Korea one battalion and one field ambulance. The battalion was due to be replaced on the 1st April. The Canadian Government was under promise that troops would not serve in Korea for more than one year. Reliefs would have to sail within a week if this promise was to be kept. If the Commonwealth forces were to be further reduced or withdrawn in the near future, it would be a needless expense to despatch a new battalion.

Mr. McIntosh said that New Zealand maintained a transport unit of about 400 men, which cost about £900,000 per annum. They were only too anxious to get rid of this commitment. What they did in Malaya was contingent on this. The United States was pulling out of Korea fast with the aim of getting down to about one division.

Sir Saville Garner pointed out that there was a difference between United States' reduction to a division and the Commonwealth withdrawing altogether. It would be essential to consult the United States first.

Mr. Tange confirmed that Australia too would gladly be rid of the Korea commitment of one battalion.

Mr. Clark suggested that it was not a very good moment, with the question of Formosa and the islands on the boil, to go to the United States with a proposition for immediate withdrawal. There was a good deal to be said for leaving the approach to the Americans for a week or two. It would also be an advantage to be able to explain to them the intentions of the United Kingdom, Australia and New Zealand over a Strategic Reserve in Malaya and to advance this as a reason for Commonwealth withdrawal from Korea.

Sir Saville Garner summed up the U.K. view as:

(1) withdrawal of Commonwealth forces from Korea was justifiable on military grounds to enable other pressing obligations to be met;

(2) but politically it would be bad tactics to approach the United States right now with a request for a decision in a week; and

(3) it would be best to delay the approach for a little.

He also expressed the hope, shared by the Australian and New Zealand representatives, that Canada would not, in the circumstances, act unilaterally over its contingent.

Sir Saville Garner suggested a further meeting in London in about a week's time to take the matter further.

759.

DEA/50069-G-40

*Le secrétaire d'État des Relations du Commonwealth du Royaume-Uni
au haut-commissaire du Royaume-Uni*

*Secretary of State for Commonwealth Relations of United Kingdom
to High Commissioner of United Kingdom*

TELEGRAM 220

London, February 28, 1955

SECRET

Addressed Canberra 201, Wellington 125.

Repeat Delhi 41; Saving Capetown 19; Saving Washington, Tokyo, Seoul Saving.

REDUCTION OF COMMONWEALTH FORCES IN KOREA

Following is text of telegram JH5 dated 25th February to United Kingdom Chiefs of Staff from C.I.G.S. on tour at Singapore. Begins.

Foreign Secretary raised question of withdrawal of Commonwealth forces from Korea during discussions with Dulles on 24th February (i.e. at Bangkok). I urged complete withdrawal, but the two Secretaries of State decided it was important for political reasons for Commonwealth to maintain a token force. I then suggested next step should be agreement between Commonwealth countries concerned on size and composition of force, followed by parallel approach to United States J.C.O.S., Foreign Secretary agreed.

2. As retention of Commonwealth forces in Korea will henceforth be dictated solely by political considerations, I consider that full requirement can from now on be met by an army contingent only, with a strength not greater than a battalion group. I suggest that military representatives in London of Australia, Canada and New Zealand should be brought together urgently to work out composition of the contingent preparatory to an early approach to Americans. Australia and New Zealand military advisers here have agreed this method of handling. Ends.

3. (Ottawa, Canberra, Wellington) Please consult Commonwealth authorities and seek their urgent concurrence to proposal for early meeting in London of Commonwealth military representatives. Three High Commissioners in London have been informed.

760.

DEA/50069-G-40

*Note du sous-secrétaire d'État adjoint aux Affaires extérieures
pour le chef de la 1^{re} Direction de liaison avec la Défense
et pour le chef de la Direction de l'Extrême-Orient*

*Memorandum from Assistant Under-Secretary of State for External Affairs
to Head, Defence Liaison (1) Division,
and Head, Far Eastern Division*

CONFIDENTIAL

[Ottawa], March 3, 1955

WITHDRAWAL OF FORCES FROM KOREA

Following our discussion this afternoon, I spoke on the phone to Brigadier Rothschild. I pointed out our misgivings about the CRO message and indicated that we would not consider ourselves committed in advance by any agreement which Sir Anthony Eden might

have reached in Bangkok with Mr. Dulles. It was our view that the Canadian representatives at the meetings in London should consider themselves free to take any position in accordance with our national policy. Brigadier Rothschild said that this was entirely in accordance with National Defence's conception of our present position. It was their intention that in London we should argue first for complete withdrawal. We should be prepared to listen to arguments for a token force but we would put forward our preference for naval over land forces. Brigadier Rothschild was quite sure that the other Commonwealth military authorities with whom the discussions would be taking place were so fully aware of the Canadian position that they would expect us to argue on the above lines.

J.W. H[OLMES]

761.

DEA/50069-G-40

*Le secrétaire d'État des Relations du Commonwealth du Royaume-Uni
au haut-commissaire du Royaume-Uni*

*Secretary of State for Commonwealth Relations of United Kingdom
to High Commissioner of United Kingdom*

CIRCULAR TELEGRAM Z-26

London, March 11, 1955

SECRET. PRIORITY.

Reference: My telegram Z-22.

Repeat Delhi Saving No. 49; Capetown, Tokyo, Seoul and Washington.

REDUCTION OF COMMONWEALTH FORCES IN KOREA

My immediately following telegram contains agreed recommendations of meeting of Commonwealth military representatives held in London on 10th March. Representatives were asked to obtain urgently agreement of their military authorities to recommendations at (a) to (e).

2. Recommendations are being submitted urgently for approval by Chiefs of Staff of countries concerned and, subsequently, by governments. They will be submitted to United Kingdom Chiefs of Staff at beginning of next week on return of C.I.G.S. from tour, and to United Kingdom Ministers immediately thereafter.

3. (Ottawa, Canberra, Wellington, only). Please inform Commonwealth authorities that
(a) we hope to let them know decision of United Kingdom Ministers by end of next week
(b) we should like to know decision of other governments as soon as possible

(c) as soon as all Commonwealth Governments have agreed we should again favour concerted approach to United States military authorities by Canadian, Australian, New Zealand, and United Kingdom military representatives in Washington as in August 1954

(d) we hope they will be prepared to instruct their military representatives in Washington accordingly.

4. Canadian, Australian and New Zealand High Commissioners in London informed.

762.

DEA/50069-G-40

*Le secrétaire d'État des Relations du Commonwealth du Royaume-Uni
au haut-commissaire du Royaume-Uni*

*Secretary of State for Commonwealth Relations of United Kingdom
to High Commissioner of United Kingdom*

CIRCULAR TELEGRAM Z-27

London, March 11, 1955

SECRET. PRIORITY.

Reference: My immediately preceding telegram: Reduction of Commonwealth Forces in Korea.

Repeat Capetown and Saving Delhi No. 50, Washington, Tokyo, Seoul.

Following are recommendations agreed at meeting of Commonwealth military representatives in London on March 10th.

(a) Requirement was for a token Commonwealth land force in Korea of battalion group strength in which all countries should be represented. This token force should not be regarded as a balanced fighting unit, and need not, therefore, be provided with its own artillery.

(b) Most effective method of forming a new force was to base it on reductions of units already available in Korea rather than to provide new units.

(c) Countries should be recommended to contribute to reduced force as follows -

United Kingdom—one battalion
Canada—Medical detachment
Australia—Signals detachment
New Zealand—Supply and transport

(d) United Kingdom and New Zealand should be invited to retain their present naval commitments and Australia to continue to provide ships to United Nations command on a part time basis.

(e) Canada could withdraw her naval forces if she made a contribution to land force as at (c) above.

(f) Reduction in size of force should be accompanied by a corresponding reduction in its administrative machinery. Initially it could be looked after on existing arrangements at reduced scale but as run-down proceeded possibility should be considered of moving base to south Korea. Countries should be asked to maintain in integrated administrative units only those officers and men who were required for handling a specific equipment or personnel problem.

(g) After approval of Governments has been obtained to the recommendations at (a) to (e) above, Commander, B.C.F.K., should be informed of intended reduction in size of force and invited to forward his recommendations for corresponding administrative reductions on lines of (f) above.

763.

DEA/50069-G-40

*Extrait d'un télégramme du secrétaire d'État aux Affaires extérieures
au haut-commissaire au Royaume-Uni*

*Extract from Telegram from Secretary of State for External Affairs
to High Commissioner in United Kingdom*

TELEGRAM 440

Ottawa, March 16, 1955

SECRET. IMMEDIATE.

Reference: Your telegrams No. 344† and No. 345† of March 16.

REDUCTION OF COMMONWEALTH FORCES IN KOREA

Canadian Government has approved the recommendations of the Commonwealth Military Representatives concerning reduction of forces in Korea. Instructions will be sent to our representatives in Washington to be prepared for a concerted Commonwealth approach to the United States authorities. We should like this approach to take place as soon as possible and are asking our High Commissioner in Canberra to inform the Australian authorities accordingly.

. . .

764.

DEA/50069-G-40

*Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis*

*Secretary of State for External Affairs
to Ambassador in United States*

TELEGRAM EX-586

Ottawa, March 29, 1955

SECRET. MOST IMMEDIATE.

Reference: Telephone conversation MacKay-Glazebrook.

REDUCTION OF FORCES IN KOREA

1. Please approach State Department at high level urgently and make following points:

(a) that it was our understanding and that of the other Commonwealth governments concerned that Mr. Dulles had discussed with Sir Anthony Eden at Bangkok on February 24 the question of withdrawing Commonwealth forces from Korea, and that the two Secretaries had agreed that for political reasons it was important for the Commonwealth to maintain "a token force";

(b) that the composition of this token force was discussed between the Commonwealth governments concerned and that agreement was reached on proposals to be discussed with the Unified Command;

(c) that these agreed proposals were transmitted to the United States Joint Chiefs of Staff by the Commonwealth military representatives in Washington on or about March 23;

(d) that as the United States military authorities have been aware the Canadian battalion now in Korea was due to be withdrawn in accordance with normal rotation procedure at

the end of March, that arrangements had been made for it to sail at that time, that this was known to the Canadian public, and that the Canadian Government sees no reason to alter the arrangements now;

(e) that pending a decision on the [Commonwealth] proposals the move from Canada of the battalion which was to replace the battalion now in Korea has been held in abeyance, that this was publicly announced by the Minister of National Defence on March 12, and that the suspension is still in effect;¹⁴³

(f) that we have now learned that the normal movement of the battalion from Korea has had to be postponed because the United States military authorities in Tokyo have not had instructions from Washington which they regard as necessary, and that it would be most unfortunate from the standpoint of Canadian-American relations if the Canadian public were to become aware of this fact;

(g) that it would be appreciated if the necessary instructions could be sent at once to allow this normal movement to proceed, and

(h) that the suspension of the replacement movement remains in effect pending the outcome of the consultations on the proposals for a general reduction of Commonwealth forces in Korea.

765.

DEA/50069-G-40

*L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures
Ambassador in United States
to Secretary of State for External Affairs*

TELEGRAM WA-517

Washington, March 29, 1955

SECRET

Reference: Your EX-586 of March 29.

REDUCTION OF FORCES IN KOREA

Following from Glazebrook, Begins: I saw the Deputy Under-Secretary, Robert Murphy, this afternoon. He had with him two State Department officers concerned with the subject. I made the points in your telegram, and, as it was evident that he had a very sketchy knowledge of the subject, I filled in the facts as to how this situation had arisen.

2. As I reported by telephone to Mr. MacKay today, we had already been given by a desk officer one answer orally late this morning, our memorandum of this conversation reads as follows. Memorandum begins:

(a) The Commonwealth proposal for reduction of Commonwealth troops in Korea made by the military representatives of the Commonwealth on March 23 was under "urgent consideration" in both the Departments of Defense and State;

(b) It was not likely that the United States Government's reply to the proposal would be forthcoming before April 3;

¹⁴³ Pour un compte rendu de la déclaration du ministre, voir *Montreal Gazette* 12 mars 1955.
For a report on the Minister's statement, see *Montreal Gazette* March 12, 1955.

(c) It was not possible to take up the Canadian request separately since withdrawal of the Canadian battalion without replacement would affect the military position of CINCUNC. Any Canadian withdrawal, therefore, would have to be considered against the background of the broader Commonwealth proposal. Memorandum ends.

3. Murphy was understanding and sympathetic. I did get the impression that he was personally convinced by the argument put up, but he said that they would take immediate steps to consult the Defense Department again and would let us know as quickly as possible. Presumably, therefore, we can only await that reply. Message ends.

766.

DEA/50069-G-40

*Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis*

*Secretary of State for External Affairs
to Ambassador in United States*

TELEGRAM EX-593

Ottawa, March 30, 1955

SECRET. IMMEDIATE.

Reference: Your telegram WA-517, March 29.

REDUCTION OF FORCES IN KOREA

For Glazebrook from Minister, Begins: I hope this matter will now be quickly and satisfactorily concluded, so that the Battalion will be able to sail on April 6.

2. For the record, I want it to be very clearly understood that we do not recognize the right of the United States Government, or any branch thereof, to decide on this withdrawal, which is purely a matter for the Canadian Government to decide in the light of its United Nations' obligations; nor do we recognize the validity of any conditions that the United States may attempt to attach to the withdrawal. That is why we have been so disturbed by reports of the attitude adopted by the Pentagon and why no communications should be sent to any branch of the United States Government by any Canadian officials which would indicate any weakening of the principle that I have stated above.

L.B. PEARSON

767.

DEA/50069-G-40

*L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures*

*Ambassador in United States
to Secretary of State for External Affairs*

TELEGRAM WA-526

Washington, March 31, 1955

SECRET. MOST IMMEDIATE.

Reference: Our WA-524 of March 30, 1955.†

REDUCTION OF FORCES IN KOREA

Following from Glazebrook, Begins: Horsey gave me the United States answer this morning as follows:

2. Pending a review of United Nations [correction on original] strength in Korea (and in this connection the Commonwealth memorandum of March 23) being conducted on a most urgent basis by military authorities, the United States is not in a position to concur in the withdrawal of the Canadian battalion.

3. If, nevertheless, the Canadian Government wishes to proceed with the withdrawal of this battalion on the previously arranged schedule, the United States will make shipping available.

4. However, the United States consider as vitally important the maintenance of a Canadian unit as part of the United Nations Command (note: This refers to the Canadian field ambulance which, it is understood, will be retained though with fewer personnel).

5. Magruder (acting at the moment for General Hull) will be informed as above and will have specific authority to arrange for embarkation of the Canadian battalion as previously planned. We were advised that you should inform the Canadian commander in Korea to renew his request for shipping on April 6 on the understanding that appropriate authority to Magruder will be transmitted from Washington. Ends.

768.

PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET

[Ottawa], April 20, 1955

...

KOREA; WITHDRAWAL OF CANADIAN TROOPS

22. *The Minister of National Defence*, referring to discussion at the meeting of March 18th, 1955, said the U.S. military authorities, who had been consulted on the matter as representing the United Nations, were not prepared to agree to the further reduction of the Commonwealth formation in Korea which was caused by the remaining Canadian infantry battalion having been brought back to Canada. When the matter had last been discussed, the question of replacement of this unit had been left in abeyance. The U.S. authorities, apparently, still expected Canada to keep a battalion in Korea and he had been informed that a formal communication would soon be forthcoming expressing the hope that Canadian commitments would not be reduced. He assumed that similar communications would be sent to the other Commonwealth governments concerned. He did not think that the battalion should be replaced, but it would be advisable to confer with the other Commonwealth nations when the letter in question was received.

23. *The Secretary of State for External Affairs*, pointed out that it had been inadvisable to seek the approval of the U.S. when it had been first decided to reduce the size of the Commonwealth division. The U.S. authorities should now be informed that no replacement battalion would be sent to Korea. The U.S. Secretary of State had recently stated that Korea, Formosa and Indo-China were three sectors of the Asian front.¹⁴⁴ If the U.S. were to

¹⁴⁴ Voir/See United States, Department of State, *Bulletin*, Volume XXXII, No. 822, March 28, 1955, p. 526.

infer from this that an outbreak of hostilities in one area directly affected the situation in the other two, it would be a very dangerous matter. Canada had never accepted such an interpretation of the situation.

24. *In the course of discussion* it was pointed out that, since it was virtually certain that a formal request from U.S. military authorities would be received shortly by the Commonwealth governments concerned, it would be advisable to consult them immediately and be prepared to reply saying that Canada proposed to proceed with the reduction. It should be kept in mind, however, that other Commonwealth countries, particularly Australia, might not have the same incentives as Canada had to remove their troops from Korea.

25. *The Cabinet* noted the report of the Minister of National Defence and agreed that, following consultation with other Commonwealth governments concerned, any U.S. request to maintain an infantry battalion in Korea be refused.

...

769.

PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET

[Ottawa], April 29, 1955

...

KOREA; WITHDRAWAL OF CANADIAN FORCES

14. *The Minister of National Defence*, referring to discussion at the meeting of April 20th, 1955, reported that no communication had been received yet from U.S. authorities expressing disapproval of the reduction in the Commonwealth contingent in Korea, and it was possible that nothing might be heard at all. In the meantime, he felt it would be desirable to determine definitely whether or not the battalion which had already been withdrawn would be replaced. Secondly, he felt it would be desirable to make a statement on the future of the forces in Korea. Before doing so, however, the Commonwealth nations concerned and the United States should be told what it was proposed to say publicly. He read a draft statement which said it was not intended to replace the battalion already withdrawn and that the unit which would have done so would continue its normal training in Canada. He would go on to state that discussions looking to further reductions were continuing between the Commonwealth governments concerned and the U.S. government in its capacity as unified command for the U.N. forces. In the meantime, the Canadian destroyer and the field ambulance supporting the Commonwealth forces would remain in Korea.

15. *The Minister of Fisheries* said he hoped the destroyer in question would return soon, as the ship had been promised for work on a survey to be carried out by the International North Pacific Fisheries Commission. The U.S. were providing 15 ships, Japan 10, and Canada had agreed to provide one. This contribution, however, depended upon the Navy being released from its Korean commitment.

16. *The Cabinet*,

(a) agreed that the Infantry Battalion recently withdrawn from Korea would not be replaced; and,

(b) noted with approval the statement to be made by the Minister of National Defence, after advising other Commonwealth governments and the United States of its contents on Canadian forces in Korea.

...

770.

DEA/50069-G-40

*Le secrétaire d'État aux Affaires extérieures
au haut-commissaire au Royaume-Uni*

*Secretary of State for External Affairs
to High Commissioner in United Kingdom*

TELEGRAM 716

Ottawa, April 29, 1955

CONFIDENTIAL. IMPORTANT.

Reference: Our telegram No. 600 of April 12† to London, repeated to Washington EX-657, Wellington No. 30, and Canberra No. 60.

Repeat Canberra No. 73; Wellington No. 35; Washington EX-787; Tokyo No. 84.

REDUCTION OF FORCES IN KOREA

On April 25, in answer to a question in the House of Commons regarding the future of the Canadian commitment in Korea, the Minister of National Defence said that he hoped to be able to make a statement on the matter within the next few days. He confirmed, in answer to a supplementary question, that the 2nd Battalion Black Watch were still standing by in their camp in the Maritimes.

2. The Minister now intends to make the following additional statement on Monday, May 2, Begins:

Last Monday I told the House that I would make a statement regarding the Canadian forces in Korea.

As the House is aware the 2nd Battalion, Queen's Own Rifles of Canada, which had completed its normal tour of duty with the Commonwealth forces in Korea, embarked on April 6 and has now returned home. It is not intended to replace this Battalion, and the 2nd Battalion, Royal Highland Regiment of Canada (Black Watch), which would have relieved the Queen's Own Rifles, will continue its normal training at Aldershot, N.S.

Discussions looking to further reduction in the Commonwealth forces in that area are continuing between the Commonwealth Governments concerned and the United States Government, in its capacity as Unified Command for the United Nations forces in Korea.

In the meantime the Canadian Destroyer H.M.C.S. *Sioux* and the Third Canadian Field Ambulance, Royal Canadian Army Medical Corps, supporting the Commonwealth Brigade are remaining in Korea. Ends.

3. Please inform United Kingdom, Australian, and New Zealand authorities.

4. *For Washington Only:* A copy of the statement will be handed to the Minister at the United States Embassy here.

771.

DEA/50069-G-40

*L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures*
*Ambassador in United States
to Secretary of State for External Affairs*

TELEGRAM WA-696

Washington, April 29, 1955

SECRET. IMMEDIATE.

Reference: MacKay-Glazebrook telephone conversation of April 29.

REDUCTION OF FORCES IN KOREA

The text of a State Department note on the subject of the reduction of Commonwealth forces in Korea, which was given to Commonwealth representatives late this afternoon, is contained in the following paragraphs. The State Department did not as yet know of your proposed statement in the House (EX-787 of April 29). Hemmendinger made only one substantive comment. He said he was aware that the Canadian authorities had not liked the use of the word "concurrence". It was only used once in the text of the State Department note. He implied, however, that if it might be the desire of the Canadian Government at some stage to make public use of the text of the note, it might be possible for the State Department to make what changes in language of the note would be required.

2. Text of the note begins:

The Government of the United States, acting in its capacity as the Unified Command, refers the Government of Canada to a memorandum received March 23, 1955 by the United States Joint Chiefs of Staff from the representatives of the Canadian, Australian, New Zealand, and United Kingdom Chiefs of Staff asking for the concurrence of the United States Joint Chiefs of Staff to a reduction in their combined forces in Korea to a battalion group.

The proposal of the Commonwealth countries to reduce their forces in Korea at this time, and the probable effect such an action would have on the decision of other participating countries, is a matter of concern to the Government of the United States. In the face of the current tension in the Far East, this government believes that further reductions in the size of the United Nations Command would have serious adverse impact militarily and politically on the interests of the free world in Asia. If the Commonwealth forces are further reduced, less powerful and less concerned nations will find it difficult to continue their contributions. Should such reductions continue, the international composition of the United Nations Command would be jeopardized and a point would soon be reached at which the continued existence of the United Nations Command would be in question. It is the view of the Government of the United States that the continued existence of the United Nations Command is important to the maintenance of the armistice and to stability in the area of Korea by reason of its deterrent effect upon the Communists and the assurance it affords of united policies on the part of the free world nations toward the Korean problem.

The Government of the United States believes that further reductions in the forces of the United Nations Command will seriously weaken the capacity of that command to meet the ever-present possibility of renewed Communist aggression. Proportionally, the reductions which have already taken place in the forces at the disposal of the United Nations

Command have not been matched by withdrawals of Chinese Communist troops, which in any event remain in close proximity to the line of demarcation.

While the joint policy declaration of the United Nations members who fought in Korea is in itself a deterrent to aggression, its efficacy is greatly enhanced by the continued and effective military contributions of the nations who stand behind it. Additional withdrawals and a narrowing of the international composition of the United Nations forces cannot but weaken the effect of this declaration and increase the risks of Communist miscalculation.

The Government of the United States recalls the participation of the United Nations in the evolution of the Republic of Korea; its response to the Communist aggression against the republic of Korea; and its continued interest in a peaceful solution to the Korean problem. It is the belief of the Government of the United States that the search for a solution to the Korean problem through the United Nations as well as the maintenance of the peace are advanced by retaining an effective and representative United Nations defensive force in the Republic of Korea.

For these reasons the Government of the United States does not plan further to reduce its combat forces in Korea at this time. The Government of the United States hopes that the Commonwealth governments will be disposed to reconsider their proposal and to defer additional withdrawals of their forces. Ends.

772.

DEA/50069-G-40

*Le secrétaire d'État aux Affaires extérieures
au haut-commissaire au Royaume-Uni*

*Secretary of State for External Affairs
to High Commissioner in United Kingdom*

TELEGRAM 746

Ottawa, May 3, 1955

SECRET. IMMEDIATE.

Repeat Canberra No. 77; Wellington No. 38; Washington EX-824.

REDUCTION OF COMMONWEALTH FORCES IN KOREA

As you know, on April 29, the U.S. State Department replied in identical Notes to the Note from Commonwealth military representatives to the Pentagon of March 23 about the reduction of Commonwealth forces in Korea. We have already sent you a draft statement which the Minister of National Defence had intended to make to Parliament on Wednesday, May 4, but this statement has been reconsidered in the light of the United States Note.

2. In our view the military situation in Korea as distinct from the general situation in the Far East does not warrant deferring implementation now of the Commonwealth proposal and we consider it undesirable that the United Nations effort in Korea should be used to effect solutions elsewhere in the Far East for other problems.

3. As is known to other Commonwealth Governments the Canadian battalion has already been withdrawn. It would be, from the domestic point of view, quite impracticable to consider sending a fresh battalion to Korea with the prospect that it would not be long after its arrival there that it would be re-embarked to return home.

4. In any event the despatch of a Canadian battalion to Korea at this juncture would lead to the public belief that the situation in Korea had in some way worsened since March or April which we do not believe to be the case and attempts to allay this misapprehension

could only indicate an undesirable casualness on the part of the Government with regard to quite substantial expenditures and the serious inconvenience of those involved, including dependents.

5. On the other hand, the ambulance unit and the destroyer *Sioux* are still in Korea and we are prepared to reconsider the running down of the ambulance unit, as contemplated under the Commonwealth proposals to the Unified Command, and the withdrawal of the *Sioux* out of deference to United States views.

6. The Minister of National Defence feels that he is obliged to make a statement to Parliament at the earliest possible date and he proposes to do so on Monday, May 9th. The proposed statement would now read as follows:

Statement begins.

"Following discussions with the other Commonwealth Governments having forces in Korea and with the United States Government in its capacity as Unified Command for the United Nations Forces in Korea, shipping was made available and on April 6 the 2nd Battalion of the Queen's Own Rifles which had completed its year's service in the Far East returned to Canada.

Discussions concerning the reorganization of the Commonwealth Forces in Korea are continuing and pending their outcome, the Canadian Destroyer, HMCS *Sioux* and the Canadian Field Ambulance Unit, Royal Canadian Army Medical Corps, supporting the Commonwealth force, will be remaining in Korea.

It is not intended to replace the Queen's Own Rifles in Korea and the 1st Battalion, Royal Highland Regiment of Canada, (the Black Watch), which would have relieved the Queen's Own, will continue its normal training at Aldershot, N.S." Statement ends.¹⁴⁵

7. We would propose giving the U.S. Government a copy of the statement in advance of delivery in Parliament and replying to their note along the lines of the statement amplified by the arguments suggested above. I would be grateful if you would inform the United Kingdom/Australian/New Zealand Government promptly and if they have any comments please convey them to us immediately.

773.

DEA/50069-G-40

*L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures
Ambassador in United States
to Secretary of State for External Affairs*

TELEGRAM WA-729

Washington, May 5, 1955

SECRET. IMPORTANT.

Reference: Your EX-824 of May 3rd, 1955.

REDUCTION OF COMMONWEALTH FORCES IN KOREA

We welcome the proposals now agreed in Ottawa for the retention in Korea of the destroyer and the ambulance unit. This should go some way to soften the reaction here to

¹⁴⁵ Voir Canada, Chambre des Communes, *Débats*, 1955, volume 4, p. 3748.

See Canada, House of Commons, *Debates*, 1955, Volume 4, pp. 3565-3566.

the decision not to replace the battalion. I feel bound, however, to comment frankly and at once on certain other features which I find disturbing in the course now proposed.

2. First, with reference to the proposed statement, we believe that the wording of the first paragraph is open to serious misunderstanding. The sequence of events as known to us was as follows: In the letter sent to the United States Joint Chiefs of Staff by representatives of the United Kingdom, New Zealand, Australia, and Canada, was included paragraph 5 asking for a quick answer to the substantive enquiry because of the desirability of taking advantage of available sea transport facilities. United States officials consistently took the position that it was fully within Canadian rights to withdraw forces from Korea. But their answer on the particular question of meeting shipping requirements (WA-526 of March 31) explicitly stated that "the United States is not in a position to concur in the withdrawal of the Canadian battalion". The only additional gloss offered by the State Department at the time indicated a quite evident reluctance to see our battalion withdraw before agreement had been reached on the general question.

3. We feel, therefore, that the first paragraph of the proposed statement if interpreted, as it might well be here, in the sense that there was general agreement on withdrawal of the battalion could not be supported by the facts.

4. We are at least equally concerned with the indication in your paragraph 7 that the explanation to the United States should be amplified by the arguments suggested in the earlier part of your telegram.

5. With reference to your paragraph 2, we have no knowledge of any United States suggestion that "the United Nations effort in Korea should be used to effect solutions elsewhere in the Far East". The United States note of April 29 does refer to the impact of reductions "on the interests of the free world in Asia" but we do not believe that this was intended to imply that United Nations forces in Korea would be implicated in other Far Eastern areas. United States officials might bridle at what might be taken to be an implication of ulterior motives.

6. We venture to question also the effect of the argument in your paragraph 3. We have no reason to think that the United States would not welcome the replacement of the Canadian battalion for a relatively prolonged period. Their argument is that there should be no reduction now and without any suggestion of time limits. The United States intention not to withdraw further United States units is flatly stated in the note.

7. We also question seriously the reception of the argument in your paragraph 4. As we understand it, the Queen's Own Rifles had returned on rotation. If it is not replaced, there would be a reduction of the United Nations force by one battalion. If, however, it were replaced, it would not increase the forces but merely return them to the March level; in other words, it would not be an increase of forces suggesting a worsened situation.

8. I hope you will understand that we are not in any way commenting on the general decision the government are making. We do feel, however, that, in view of the great emphasis laid on this matter by the United States Government, it is important for us as for them that every effort should be made to explain the decision both publicly and privately to United States officials in such a way that, while the decision itself might be (and indeed will be) unwelcome, the arguments used could not be questioned by reference to the facts.

A.D.P. HEENEY

774.

PCO

*Note du ministre de la Défense nationale
pour le Cabinet*

*Memorandum from Minister of National Defence
to Cabinet*

CABINET DOCUMENT NO. 150-55

[Ottawa], July 14, 1955

SECRET

REDUCTION OF FORCES IN KOREA

1. At a meeting of the Cabinet held on April 29, 1955, it was agreed that the Infantry Battalion recently withdrawn from Korea would not be replaced and that discussions looking to further reductions would continue between the Commonwealth Governments concerned and the United States Government in its capacity as unified command for the United Nations forces. In the meantime one Canadian destroyer and the field ambulance supporting the Commonwealth forces would remain in Korea.

2. A meeting of Commonwealth Military Representatives was held in the United Kingdom on 30 June, 1955, to discuss further reduction of Commonwealth forces in Korea. The meeting requested the concurrence of Governments on agreed views as summarized below:

(a) *Character of the Forces.* The object of retaining the forces in Korea is political rather than operational. It should therefore, retain its Commonwealth character and be recognizable as a Commonwealth force.

(b) *Role.* The force should continue to operate from the present area carrying out its share of operational tasks. A role confining it to base or lines of communication duties would be unacceptable.

(c) *Composition.* The battalion group should be composed as follows:

- | | |
|----------------------------------|----------------|
| (i) Skeleton Brigade HQ | Integrated |
| (ii) Infantry Battalion | United Kingdom |
| (iii) Signals Detachment | Australia |
| (iv) Detachment, Field Ambulance | Canada |
| (v) Detachment, RNZASC Company | New Zealand |

The United Kingdom would also provide an engineer detachment and possibly a light battery. A Detachment Infantry Brigade Work Shop was also considered necessary and should be integrated. The term integrated is used in the sense that the unit is primarily United Kingdom with sufficient personnel from other Commonwealth countries to look after their special national requirements in the administrative field.

(d) *Command.* For the time being the United Kingdom should continue to provide a Commander for the reduced forces.

(e) *Title.* The residual force be known as the "Commonwealth Contingent Korea".

(f) *Timing of New Approach to Americans.* Approach the United States authorities both through political and military channels as early as possible so that the reduction can be made operative by the end of August. Australia and New Zealand are particularly anxious to get a large part of their forces out of Korea by that time.

3. It is recommended that the agreed views referred to above be accepted by the Canadian Government.¹⁴⁶

R.O. CAMPNEY

775.

DEA/50069-G-40

*L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures
Ambassador in United States
to Secretary of State for External Affairs*

TELEGRAM 1507

Washington, September 2, 1955

SECRET. IMPORTANT.

Reference: Your 1515 of August 30, 1955.†

REDUCTION OF COMMONWEALTH FORCES IN KOREA

At a meeting today, September 2, arranged by Sir Percy Spender, the Australian Ambassador, Commonwealth representatives discussed the possible reply which could be made to the United States memorandum of April 29 with respect to the reduction of Commonwealth Forces in Korea. After a thorough (and at times difficult) canvassing of views, a draft note was prepared, the text of which is contained in our immediately following telegram.

2. At the meeting this morning it quickly became apparent that the view of the Australian Government was not that which one would have expected, in the light of the agreement reached by Commonwealth Military representatives in London in June. The Australian Government would, in fact, be prepared to reconsider its decision to reduce its forces in Korea if the United States Government continues to press its point of view vigorously. At the same time, the Australian Government would *like* to carry through the reductions agreed to by the Commonwealth Military representatives. Spender's instructions, therefore, did not allow him to agree entirely with our point of view that the reply to the United States memorandum of April 29 should state what is in effect a *fait accompli*.

3. The United Kingdom representative had put before the meeting a draft prepared by the Embassy here which among other things "sought the concurrence" of the United States Government to the Commonwealth proposals for reduction. We, too, submitted a draft note to the meeting which followed the lines set out in telegrams WA-1311 of August 3† and EX-1408 of August 9,† and which noted simply that the Commonwealth Governments "had reached agreement as follows".

4. In spite of the obvious differences of approach to the question, it was apparent that all of us at the meeting were agreed

(a) that Commonwealth Forces in Korea were to be reduced; and

(b) that there were political advantages in producing similar replies by the four governments to the United States note. Incidentally, it seemed sensible to the group to plan that similar notes be presented separately by each representative to the State Department with whatever further oral explanation was considered appropriate by individual governments.

¹⁴⁶ Approuvé par le Cabinet, le 15 juillet 1955./Approved by Cabinet, July 15, 1955.

5. The United Kingdom representative was the first to move towards the Canadian point of view. The New Zealand representative was inclined to share the views of his Australian colleague. When it became apparent that without some compromise there could be no agreement on similar notes, Spender suggested finessing the problem by omitting from the note the details concerning the composition of the reduced Commonwealth Force and leaving them for discussion between the Pentagon and the Commonwealth Military representatives. In his estimation, the note to the State Department would then simply suggest that reductions were to take place. It was his idea that in the discussion between Military representatives which would follow, the opportunity would be given for different actions by individual members of the Commonwealth, i.e., Canada could stand fast on the reduction while Australia could agree perhaps not to reduce to the extent presently planned.

6. While we could not accept his suggestion in that form, we did come around to accept a much watered down version of it in return for Australian and New Zealand acceptance of the inclusion in the note and its Annex of the contents of the agreement reached by the Commonwealth representatives in London and set out in your 1298 of July 20.† The Australian point is covered in the last paragraph of the draft text contained in our immediately following teletype. You will note that this paragraph does not weaken the statement of our intent to reduce as planned, but does provide an opportunity for further discussion with United States Military representatives which while directed towards an administrative necessity, i.e., the re-deployment of reduced forces, could provide an opportunity for the Americans to influence their Australian opposite numbers.

7. It was understood that the draft provisionally agreed to here would be submitted to our individual governments and that our agreement to it in no way prejudiced the final views of our individual governments. It seems to us, that there are two courses of action open to us. We can accept the substance of the draft contained in our immediately following telegram, or we can send to the State Department a note different at least from the Australian note and which would state the reduction and offer no opportunity for further United States comment. The latter choice would probably embarrass other Commonwealth Governments, particularly the Australian Government. We would recommend, therefore, that you give us authority to agree to a text substantially similar to that contained in our immediately following teletype. You might also be willing to allow us a little leeway to agree to changes in form which do not affect the substance.

8. It was agreed that a separate paragraph could be added by each government, if it desired, to the text dealing with naval commitments. Since we are not certain of your exact plans for the withdrawal of H.M.C.S. *Sioux*, we should be grateful if you would draft that paragraph in Ottawa. We would draw your attention to the fact that, contrary to the statement in paragraph 4 of your teletype 1408 of August 9,‡ the withdrawal of the remaining Canadian destroyer was *not* mentioned in the memorandum of March 23 submitted to the United States Joint Chiefs of Staff by the Commonwealth Military representatives.

9. If you can agree to a note along the lines of that drafted by the meeting, we might take the occasion of our presentation of the note to the State Department to draw its attention to the sentence "in the light of other commitments the four governments have found themselves unable to abandon their proposal to make reductions". Presumably the Australians would not make mention of this point in their oral explanation. (Incidentally, we agreed to the sentence in the draft note which follows immediately upon that just quoted and which makes mention of "certain modifications of their original plans", on the understanding that in fact there has been some infinitesimal change in the plans with respect to the brigade headquarters, a change which is mainly in name, if we understand the situation correctly).

10. While we are by no means certain that the draft agreed to here will be acceptable to Canberra or Wellington, we do believe it will be acceptable to London and we hope you may find it satisfactory.

776.

DEA/50069-G-40

*L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures
Ambassador in United States
to Secretary of State for External Affairs*

TELEGRAM 1508

Washington, September 2, 1955

SECRET. IMPORTANT.

Reference: My immediately preceding teletype No. 1507 of September 2, 1955.

REDUCTION OF COMMONWEALTH FORCES IN KOREA

The following is the text of the draft note concerning the reduction of Commonwealth Forces in Korea which was prepared in consultation with our Commonwealth colleagues. The negotiations involved in drafting this text are dealt with in our telegram under reference.

2. Draft text begins:

The (blank) Embassy presents its compliments to the Department of State and has the honour, under instructions from the (blank) Government, to reply to the Department's memorandum of April 29 in which the Government of the United States, acting in its capacity as the Unified Command, commented on the proposal of March 23 of the four Commonwealth Governments with respect to a reduction in their combined forces in Korea.

The (blank) Government has given careful consideration to the views of the United States Government and agrees with the following points expressed in the memorandum of April 29; that the continued existence of the United Nations Command is important to the maintenance of the Armistice and the stability in the area of Korea; that the international composition of the United Nations Forces should be maintained; and that the search for a solution to the Korean problem is advanced by the retention of an effective and representative United Nations Defensive Force in the Republic of Korea.

With these criteria in mind, the Governments of Canada, the United Kingdom, Australia, and New Zealand, have consulted together as to the continuing Commonwealth contribution to the United Nations Command. In the light of their other commitments, the four Governments have found themselves unable to abandon their proposal to make reductions. After carefully considering the United States representations, they have, however, found it possible to make certain modifications in their original plan and have reached agreement as follows.

The Commonwealth Force should be self-contained and have a clearly defined identity. It should retain its operational character and be located in an operational area. It should comprise a brigade headquarters with under command, a force of all arms including one infantry battalion. (Details are contained in the appendix to this note). The Commander of the force would be a Brigadier who would also act as the Commonwealth representative on

the Military Armistice Commission. The force would be called the "Commonwealth Contingent, Korea".

The Commonwealth Governments propose that there be discussion between the United States and Commonwealth Military representatives in Washington on questions arising out of the detailed implementation of the reduction indicated above, notably the re-deployment of the Commonwealth force which it will necessitate.

(Then will follow in our note a statement with respect to the withdrawal of HMCS *Sioux*. Since we are uncertain of your intention in this respect, we believe this paragraph might be drafted in Ottawa).

The text of the Annex mentioned above would be as follows:

Composition of Commonwealth Contingent Korea

Brigade Headquarters	Integrated
Infantry Battalion	United Kingdom
Detachment Engineers	United Kingdom
Signals Detachment	Australia
Detachment Field Ambulance	Canada
Detachment RNZASC	New Zealand
Detachment Infantry Brigade Workshops	Integrated

777.

DEA/50069-G-40

*Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis*

*Secretary of State for External Affairs
to Ambassador in United States*

TELEGRAM 1564

Ottawa, September 9, 1955

SECRET. IMPORTANT.

Reference: Our telegram No. 1549 of September 7, 1955.†

REDUCTION OF COMMONWEALTH FORCES IN KOREA

The draft Note contained in your telegram No. 1508 of September 2 is acceptable to us. We agree that in presenting the Note to the State Department you should take the occasion to draw attention to the statement in the Note that in the light of other commitments (in our case, NATO) the Commonwealth Governments have found themselves unable to abandon their proposal to make reductions. Accordingly, the reductions decided upon by the Canadian Government, in agreement with the other Commonwealth Governments, have been completed by the recall of HMCS *Sioux*.

2. The separate final paragraph on naval commitments, which it was agreed each government might add if it wished, should state that HMCS *Sioux* has been withdrawn to meet other urgent commitments.¹⁴⁷

3. Although we would have no objection to minor changes in form, not affecting the substance of the Note, we could not accept any change which would have the effect of re-

¹⁴⁷ Le NCSM *Sioux* a été retiré le 7 septembre 1955.

H.M.C.S. *Sioux* was withdrawn on September 7, 1955.

opening, so far as we are concerned, the decision to reduce which has been taken by Cabinet. For this reason we consider that the Annex outlining the composition of the Commonwealth contingent should remain in the Note.

4. While we agree that it would be desirable that similar Notes be presented separately but simultaneously, we would not wish the delivery of the Canadian Note to be delayed more than a few days. Our views are accordingly being communicated to the other Commonwealth Governments concerned in the hope that they will find it possible to send urgent instructions to their representatives in Washington.¹⁴⁸

6^e PARTIE/PART 6
IMMIGRATION D'ASIE
IMMIGRATION FROM ASIA

778.

PCO

*Note du ministre de la Citoyenneté et de l'Immigration
pour le Cabinet*

*Memorandum from Minister of Citizenship and Immigration
to Cabinet*

CABINET DOCUMENT NO. 208-55

[Ottawa], October 12, 1955

CONFIDENTIAL

ADMISSION OF ASIANS

1. In December, 1950, the Regulations dealing with admission of Asians were amended to raise from eighteen years to twenty-one years the age of admissible children.¹⁴⁹

2. In June, 1951, the Minister of Citizenship and Immigration announced in the House of Commons that favourable consideration would be given to application by Canadians of Chinese extraction, in cases where the application was for the admission of unmarried children over twenty-one up to the age of twenty-five, when circumstances would warrant their admission on the grounds of "real hardship and perhaps suffering".¹⁵⁰

3. On the 10th of March, 1955, the undersigned announced before the Special Committee on Estimates that from that date it was "proposed to adhere to the Regulations in Chinese cases just as we do in the case of persons of other Asian origin";¹⁵¹ in other words, the only applications to receive favourable consideration after the 10th of March, 1955, in the case where the proposed immigrant was an Asian, would be those in which the application was

¹⁴⁸ La note canadienne, à laquelle une correction mineure avait été apportée concernant une éventuelle base pour le contingent du Commonwealth, a été livrée au Département d'État le 16 septembre 1955.

The Canadian note, with one minor amendment concerning a future base for the Commonwealth Contingent, was delivered to the State Department on September 16, 1955.

¹⁴⁹ Voir/See Volume 16, Document 708.

¹⁵⁰ Voir Canada, Chambre des Communes, *Débats*, 1951, volume 5, p. 4999.

See Canada, House of Commons, *Debates*, 1951, Volume 5, p. 4863.

¹⁵¹ Voir Canada, Chambre des Communes, Comité spécial des Prévisions budgétaires, *Procès-verbaux et Témoignages*, N° 9, le 10 mars 1955, Ottawa: Imprimeur de la Reine, 1955, p. 9.

See Canada, House of Commons, Special Committee on Estimates, *Minutes of Proceedings and Evidence*, No. 9, March 10, 1955, Ottawa: Queen's Printer, 1955, p. 238.

for the wife, the husband, or the unmarried children under twenty-one years of age, of any Canadian citizen resident in Canada who is in a position to receive and care for his dependents.

4. The handling of Asian cases presents many administrative problems, as their customs are very different from European customs. In addition, vital statistics are not maintained in most of the countries of Asia. The identification of the proposed immigrant as the person described in the application can only be made by checking the statements made by the applicant as well as those made by the proposed immigrant. Very often the applicant in Canada, in order to facilitate the admission of the persons he desires from Asia, will apply for one person at a time so as to avoid conflicting statements.

5. Experience has shown that immigrants become settled in this country more readily when they establish themselves here as a family unit.

6. In order to facilitate the administration of Asian immigrants, encourage the re-union of families, and prevent numerous misrepresentations, it is considered advisable to amend the Regulations now in existence so as to provide that unmarried children under the age of twenty-one will be admissible only if the father and the mother have already been landed in Canada, or if the father or the mother, as the case may be, is landed concurrently with the child or children of the applicant.

7. For humane reasons, it is felt that Canadians of Asian origin, in view of the conditions now existing in Asia, should be allowed to apply, on compassionate grounds, for their parents. This privilege, which has existed for Europeans, could without increasing the security risk, be extended to Asian immigrants in cases where the mother is sixty years of age or over and the father is sixty-five years of age or over.

I, THEREFORE, RECOMMEND:

(a) That the Regulations governing the admission of Asians to Canada be amended to read as follows:

“20. (2). Subject to the provisions of the Act and to these Regulations, the landing in Canada of Asians is limited to any immigrant who satisfies the immigration officer in charge that he is the husband, the wife, or the unmarried child under twenty-one years of age of any Canadian citizen resident in Canada who is in a position to receive and care for his dependents, but no such child shall be landed unless his father and his mother have already been landed in Canada or his father or his mother as the case may be is landed concurrently with him.”

(b) That as a matter of policy, favourable consideration be given to applications from Canadian citizens residing in Canada for the admission of their Asian parents when, in the case of the mother, the proposed immigrant would be sixty years of age or over and, in the case of the father, sixty-five years of age or over at the time of entry to Canada.¹⁵²

J.W. PICKERSGILL

¹⁵² Approuvé par le Cabinet, le 12 octobre 1955./Approved by Cabinet on October 12, 1955.

7^e PARTIE/PART 7CONFÉRENCE DES NATIONS NON ALIGNÉES À BANDUNG
BANDUNG CONFERENCE OF NON-ALIGNED NATIONS

779.

DEA/12173-40

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

*Secretary of State for External Affairs
to High Commissioner in India*

TELEGRAM 224

Ottawa, April 12, 1955

CONFIDENTIAL

ASIAN-AFRICAN CONFERENCE

The following are our views in the Asian-African Conference for your guidance in discussions which you might have with appropriate officers in the Ministry of External Affairs if an occasion presents itself.

2. We regard the Conference as a natural development arising out of the concern of the countries of the area to meet and discuss common problems, and significant of the increasing importance of the Asian countries.

3. A great deal of the eventual importance of the Asian-African Conference will lie in the reciprocal effect of the contacts between the Chinese and the non-Communist delegations. We very much hope that the effect of bringing the Chinese out of their dangerous tête-à-tête with Moscow will be salutary and may lead them to a better appreciation of the attitudes of other countries.

4. It is obvious, however, that this happy result will not be possible without the active leadership of India. The position of India at the political centre of the Conference will probably bring about a situation in which its attitude will influence strongly the attitudes of the other delegations. The role that India chooses to play will in effect decide whether the Conference is to be constructive or not. We hope, therefore, that the Indians will not overlook the fact that the results of the Asian-African Conference will inevitably affect public opinion in the West, particularly in the United States.

5. Should the Conference yield too easily to Chinese efforts to give the Asian-African Conference an anti-western complexion, in an effort to preserve good relations with the Chinese, this could very well lead to a hardening of United States policy in the Far East. The Asian-African Conference is possibly almost as important in its potential effect on the United States in a negative way as on the Chinese in a more positive way. This point could, I think, be emphasized to good advantage.

6. There is the possibility that a permanent organization will develop from the Asian-African Conference, and to a certain extent duplicate the work of the United Nations and its specialized agencies. We trust that any continuing organs set up at Bandung will not displace the Colombo Plan in its special field, nor tend to supplant the United Nations.

7. As there are likely to be representatives from North and South Vietnam, Laos and Cambodia at the Conference, it is possible that Indochinese problems may be discussed. In this event, since India will be the only Commission member represented at the Conference, we will look to the Indian representative to explain what the various Commissions have

been trying to do and we would appreciate being kept informed of this aspect of the discussions.

8. As regards Formosa, we realize that there will be a good deal of sympathy at the Conference for the Communist Chinese position, but we would hope nevertheless that many delegations would stress the desirability of seeking solutions to this problem as to other ones by negotiation rather than by force.

780.

DEA/12173-40

*Le secrétaire d'État aux Affaires extérieures
aux chefs de poste à l'étranger*

*Secretary of State for External Affairs
to Heads of Posts Abroad*

CIRCULAR DOCUMENT NO. B.43/55

Ottawa, July 27, 1955

CONFIDENTIAL

THE ASIAN-AFRICAN CONFERENCE

The purpose of this letter is to try to draw certain general conclusions from the despatches we have received thus far on the Asian-African Conference, rather than to relate the sequence of events. The actual sessions of the Conference were fully reported in the press in spite of the theoretical secrecy of all but the first and last plenary sessions, and a number of despatches have been referred to missions concerned with the Far East.

2. The Asian-African Conference was misnamed in the sense that it was hardly African at all. Only Egypt, Turkey and Iraq among the countries outside East Asia contributed much to the discussions, and even they were overshadowed by the Asian countries which have recently become independent. Because of this, the Conference was filled with the sense of mission which animates these new countries. The Bandung Conference would have been impossible ten years ago when many of the participants were under some sort of foreign rule. Many of the countries of the area consider that while they have gained their independence, they have not yet achieved a position of influence commensurate with their size and the contribution to the maintenance of peace which they are in a position to make. They also consider various aspects of Western policy in Asia, such as the Manila Treaty, to be intrusions into Asian affairs affording evidence that the Western nations are not yet prepared to abandon their positions of influence. Although they claim to have better solutions to Asian problems, they would prefer in any case that Asia be badly run by Asians than efficiently governed by Europeans. It was, therefore, all the more gratifying to these countries that the Conference was a success, and that almost all the delegations gave proof of responsible attitudes in the discussions. The sponsors of the Conference also derived satisfaction from the apparently encouraging results of their efforts at mediation in the Formosa dispute, and believe that they have made significant progress towards reducing tension. While the basis for these attitudes may appear more emotional than Western nations are accustomed to, the end result of the Bandung Conference may be both to increase Asian influence and to make the countries of Asia less insecure in the presentation of their policy.

3. The Conference of Colombo Powers Prime Ministers which met at Bogor in December, 1954, set out the objectives of the proposed conference as follows:

(1) to promote good will and co-operation among the nations of Asia and Africa, and to explore and advance their mutual as well as common interests, and to establish further friendly and neighbourly relations.

(2) to consider social, economic and cultural problems and relations of the countries represented;

(3) to consider problems of special interest to Asian and African peoples, e.g., problems affecting national sovereignty and of racialism and colonialism;

(4) to view the position of Asia and Africa and their place in the world of today and the contribution they could make to world peace and co-operation.

4. There was, therefore, no intention at Bogor that the Bandung Conference should be presented with any particular set of problems to solve. It is doubtful whether any of the Prime Ministers, with the exception of Dr. Ali Sastroamidjojo, was sufficiently enthusiastic about the Conference to look upon it as providing more than a first opportunity for this group of states to discuss common problems and perhaps lay the basis for useful co-operation at some later date. However, even this limited objective of the sponsors demanded, for the Conference to be successful, that a spirit of moderation should prevail between the participants which seemed *a priori* to be impossible in view of their ideological differences. It was feared that the Conference would either pass from anti-racialism and anti-colonialism to a negative anti-Westernism, or else break up into opposing camps divided by ideologies. In the Department we were impressed by the Indian view that the Conference would be useful in bringing Communist China out of its isolation and we hoped that Indian influence would be such as to lead the Conference along constructive lines. It was a surprising development that, in its current policy of withdrawing pressure from the states of Southeast Asia, China had to give as many assurances of its future good behaviour as it did. The Bandung Conference provided a good opportunity for the Chinese to make public a shift of tactics which may be reversed at some later date when it is convenient for the Communists to do so. In this way, Asian opinion has its effect on Peking. It is also interesting to note that Indian influence, though important, was far from dominant.

5. The importance of the Asian-African Conference lies in the changed relations which developed between the various states represented. The results of the Bandung Conference are, therefore, similar to those of the first Colombo Powers Conference of April, 1954, which established an effective Colombo Powers grouping, although it would be difficult to point to any other concrete act. While much the same may prove to be true of the Asian-African Conference, a study of the communiqué is not entirely unrewarding (it has been circulated in the supplementary papers series†).¹⁵³

6. The communiqué is in three sections:

(1) economic co-operation;

(2) cultural co-operation, human rights and self-determination, and problems of dependent peoples;

(3) world peace and co-operation.

The Conference also adopted declarations on the problems of dependent peoples, and on world peace and co-operation.¹⁵⁴

¹⁵³ Voir/See *Documents on International Affairs, 1955*, London: Oxford University Press — Royal Institute of International Affairs, 1958, pp. 429-436.

¹⁵⁴ *Ibid.*, pp. 433-434, 435-436.

7. *Economic Co-operation.* Although this first section of the communiqué is long, it is not of great interest, since it does little more than catalogue as desirable certain objectives with which no one could disagree, and does not propose any specific suggestions. Many of the proposals are not entirely practicable; it is difficult to see, for instance, how any of the countries of the area with the possible exception of Japan could be in a position in the immediate future to provide technical assistance to others. In general, the Conference recognized the importance of economic co-operation without apparently having settled any means to ensure their co-operation, although it is recommended that liaison officers be appointed in the various countries "for the exchange of information on matters of mutual interest". It is also interesting to note that the Conference agreed that economic co-operation within the Asian-African region does not "preclude the desirability or the need for co-operation outside the region, including the investment of foreign capital. It was further recognized that assistance being received by certain countries from outside the region through international or under bilateral arrangements had made a valuable contribution to the implementation of their development programmes". These references were included in spite of the fact that the Chinese delegation had proposed that all foreign aid be condemned as detrimental to national sovereignty.

8. The Conference also supported the establishment of a special United Nations fund for economic development (SUNFED) and the allocation by the International Bank of a greater part of its resources to Asian countries. Mention was made of the need for a unified approach on the question of the stabilization of international prices, particularly in the United Nations Permanent Advisory Commission on International Commodity Trade. It is possible that these recommendations, which do not require the creation of special machinery for their execution, may have some concrete effects. It would seem that there was little reality to the discussions in the Economic Committee. The communiqué gives evidence of a division in the minds of the delegates; economic arrangements on a regional basis were considered to be a suitable economic expression of anti-colonialism, but it was recognized that existing arrangements which are either on a United Nations or Colombo Plan basis should be preserved for more hard-headed reasons. Concrete proposals to set up regional arrangements were opposed although, in contradiction to this, lip-service was paid to the principle in the communiqué. This same approach was noticeable at the Simla Conference, which agreed that bilateral arrangements should be maintained, in spite of the desire of the United States to see a greater degree of regional co-operation among the Asian countries.¹⁵⁵

9. *Cultural Co-operation, Human Rights and Self-Determination, and Problems of Dependent Peoples.* With the exception of the declaration on the problems of dependent peoples, the drafting of these sections apparently presented no difficulties, after a Chinese resolution that the colonial powers should be called on to grant independence to all colonial territories within fifteen years was defeated. It is difficult to say much that is refreshingly original about cultural co-operation, but the Conference recognized, apparently on the initiative of the Philippine delegation, that there was a danger that the participants

¹⁵⁵ Une conférence réunissant les membres asiatiques du Plan Colombo ainsi que des représentants des États-Unis et du Japon, et tenue à Simla, en Inde, en mai 1955, pour débattre les questions relatives au développement régional. Pour un compte rendu de la conférence, voir United States, Department of State, *Foreign Relations of the United States (FRUS), 1955-1957*, Volume XXI, Washington, D.C.: Government Printing Office, 1990, pp. 105-106.

A conference involving the Asian members of the Colombo Plan, as well as the United States and Japan, which was held in Simla, India, in May 1955 to discuss regional development issues. For a report on the conference, see United States, Department of State, *Foreign Relations of the United States (FRUS), 1955-1957*, Volume XXI, Washington, D.C.: Government Printing Office, 1990, pp. 105-106.

might fall into the trap of racialism themselves. This point was repeated in the section on racial discrimination. It is also encouraging that the communiqué in almost all instances uses the United Nations Charter or relevant resolutions of the United Nations as the basis for its recommendations.

10. A summary listing all those areas in which the Conference decided that national or minority rights were not being respected is revealing:

1. Algeria, Tunisia and Morocco,
2. "Certain parts of Africa" and South Africa,
3. West New Guinea,
4. Palestine,
5. Aden.

Although this list could stand without commentary, it is interesting that British colonialism is not mentioned except in the case of Aden, in spite of the activities of Archbishop Makarios and of certain Malayan nationalists. The Indians gave proof of their moderate approach towards the question by not insisting on a reference to Goa. However, although the right of all nations to self-determination is emphasized both in these sections and in the declaration on the promotion of world peace and co-operation, Soviet colonialism was not referred to in spite of the fact that Sir John Kotelawa's attack on it was the signal for a strong offensive on the part of the anti-communist delegations and a majority existed in the Political Committee to make a direct reference to the suppression of national aspirations in Eastern Europe. The controversy, which was very bitter, was carried on into the Drafting Committee where it was apparently Mr. Krishna Menon who proposed the compromise of condemning colonialism in "all its manifestations".

11. The reference to the Palestine question in the communiqué, and the exclusion of Israel from participation in the Conference indicates both the strength of feeling on the subject in the Muslim countries, and the willingness of the non-Muslim states such as India to yield to them. Chou En-Lai made a pointed reference in his first speech to the fact that a Muslim religious leader formed part of the Chinese delegation. Only Burma was willing to defend Israel in the debate on the Palestine question, although Mr. Nehru did try to exert a moderating influence. Although the strength of the Muslim grouping, and the willingness of the other nations to cater to them and their own Muslim minorities was not surprising, the Conference did provide a striking illustration of this situation.

12. *The Promotion of World Peace and Co-operation.* These sections, which are probably the most constructive in the communiqué, give the impression of expressing more closely the aspirations of the participants than do the other parts. An Indian official described the economic paragraphs as being more politics than economics, while the sections on racialism and colonialism do not add anything to our knowledge of the attitude of the Asian-African countries to these problems. The section on world peace and co-operation, however, deserves fuller consideration, for in it the participants give evidence of their desire to formulate an approach that would put Asian and African opinion in a better position to make its influence felt. This seems to be particularly true in those paragraphs which record the opinion of the Conference that the representation of the Asian and African nations in both United Nations and the Security Council is inadequate. There was no mention of creating a permanent seat for India. The attitude in this part of the communiqué is similar to the Canadian view that the representation of the Asian nations on the Security Council could be broadened. However, we have not been in favour of creating a special seat for India, lest such action would prejudice the "Commonwealth seat", and thus make it more difficult for us to be elected. The position of these recommendations at the beginning of

the section leads one to believe that they are important to the participants and that these questions will be raised again, perhaps in a more embarrassing manner, in the near future. The list of countries which in the opinion of the Conference were qualified for membership in the United Nations — Cambodia, Ceylon, Japan, Jordan, Laos, Libya, Nepal and unified Vietnam — only includes participants in the Conference. Nevertheless, the proposal cuts across the controversy in the United Nations on "package deals" and so may prove acceptable to the Soviet Union. In any event it is a new initiative and may provide a way out of the present impasse on the admission of new members.

13. We may also expect that the Asian-African Conference will result in increased co-operation in the United Nations between the participants in furthering some of the Conference's objectives. The demonstration that the Arab and Asian nations could agree on a wide range of subjects will increase the tendency already noted in the United Nations for the Arab-Asian grouping to consult on policy matters. Such a development would increase the authority of these countries in the United Nations, and make it more likely that resolutions sponsored by them will be adopted.

14. The question of disarmament was treated in a manner which approaches the Western position, since the problem of the prohibition of nuclear weapons was not disassociated from the more general one of disarmament and the recommendation that experiments in nuclear weapons be suspended is phrased in moderate terms. The recommendation that experimentation in nuclear weapons should be prohibited pending the total prohibition of the manufacture of nuclear and thermo-nuclear weapons has never formed part of the Western proposals on disarmament. Nevertheless, this recommendation which was first put forward by Mr. Nehru a year ago has been incorporated in the Soviet proposals submitted to the Disarmament Sub-Committee on May 18, which must be considered as an indication of the present sensitivity of the Soviet Union and China to Asian opinion.

15. The final conference text is the Declaration on World Peace and Co-operation, a thoughtful and construction document. The ten principles are more concrete guides to international behaviour than the Sino-Indian five principles and their main advantage to the West may lie in the fact that they are as yet not tainted with any aura of communist peace propaganda. It is difficult to comment on principles which should form the basis of the actions of all nations in international affairs, but it has been pointed out that the fact that the Chinese Communists have subscribed to these principles gives the nations of Asia a standard by which to measure their future behaviour.

16. Although Nehru attacked arrangements for collective security, and Chou En-Lai sought to undermine the Manila Treaty by more devious means, the Conference could not condemn outright the Manila Treaty and other alliances because of the participation of Pakistan, Thailand and the Philippines which are members of the Manila Treaty, and Turkey, a member of NATO. The formula in the Declaration on World Peace and Co-operation which resolves the disagreement is obviously the result of compromise:

Principle 5: Respect for the Right of each nation to defend itself singly or collectively in conformity with the Charter of the United Nations.

Principle 6A: Abstention from the use of arrangement of collective defence to serve the particular interests of any of the big powers.

17. It would be too much to say that members of the Conference had thereby reached agreement on the desirability or the opposite of defensive alliances. Since the end of the Conference, and during his trip to Europe, Mr. Nehru has continued to attack collective defence systems, which would indicate that this section of the Declaration was merely a convenient means of covering up abiding differences between the participants.

The Role of the Communist Chinese

18. The proceedings provided some interesting light on Communist Chinese policy and tactics. The evidence which has accumulated since the signing of the Sino-Indian agreement on Tibet, and which has been confirmed by the behaviour of the Chinese delegation at Bandung, indicates that the Chinese leaders think that the condition for the extension of Chinese influence in Asia at the present time is the elimination of direct Western influence. An attempt to extend Chinese power by military means would have the contrary effect of confirming Western influence. The Chinese apparently seek to eliminate the influence which the United States exercises over certain countries of the area through the Manila Treaty and economic aid. Over the past six months, policy towards Japan has become important for China, and the statements of Chou En-Lai at the Bandung Conference seem to indicate that they have hopes of developing relations with the Philippines and Thailand as well.

19. The events of the past year have also given some indication of the tactics which the Chinese mean to pursue in order to eliminate Western influence in Asia and to isolate the United States over the Formosa question. By repeated assurances of their peaceful intentions (which they contrast with the West's preparations for war), and the development of diplomatic and trade relations with the non-communist countries, the Chinese hope to develop a climate in which their size and strength and overseas communities will not excite undue suspicion. If they are successful in presenting Communist China as essentially another Asian nation which has successfully completed its national revolution, they may hope that the United States and its allies will not be able to create a viable system of collective security in the Pacific and even that the basis of the present Manila Treaty will be undermined. By holding out the prospect of profitable trade, the Chinese may believe that they can reduce the effect of the aid programmes of the United States and its allies.

20. The behaviour of the Communist Chinese delegation at the Asian-African Conference seems to bear out the analysis that the Chinese have decided not to exercise undue pressure in Southeast Asia in order to keep the situation fluid and to prevent it from crystallizing into the formation of an anti-communist bloc. Chou En-Lai apparently had to adopt a line at the Bandung Conference that was more conciliatory than he would probably have wished, in order to achieve the maximum effect. His first public statement at Bandung, before the Conference opened, spoke of the price that the Chinese delegation had to pay in connection with the Conference, a reference to the crash of the Air India Constellation carrying certain Chinese delegates to the Conference. If this was an indication of the atmosphere that the Chinese hoped would pervade the Conference, events did not conform to their expectations. After this first statement, Chou's attitude became progressively more moderate, and did not go beyond a number of references to the fact that the United States was creating tension in the Formosa Straits. His speech at the plenary session was notably milder than the advance text, circulated some hours before. His statement before the Political Committee on the second last day of the Conference emphasized China's uneasiness in the face of the creation of the Manila Treaty. Nevertheless it was, as were all of Chou's interventions, remarkably free of the tone of strenuous denunciation usually associated with the speeches of a communist delegate. On the other hand, the reports of the New China News Agency, while less violent than usual, were never as moderate as Chou's statements and referred continually to the efforts of the United States to wreck the Conference.

21. It is interesting to speculate how much Chou's performance was dictated by the pro-Western attitudes of many non-communist delegations. The Chinese delegation probably thought that it would only be necessary to emphasize anti-colonialism and China's charac-

ter as an Asian nation to win over the Conference, and that imputations that the United States was unalterably opposed to the Conference as to all manifestations of Asian independence would be well received. This misconception was perhaps based on a confusion between anti-colonialism and resentment of continued Western influence, and anti-Americanism *per se*.

22. Since most of the attacks on Communism by Conference delegates were directed against Soviet colonialism, the Chinese delegation was anxious not to allow itself to be associated with Soviet policies but to stress China's similarity with other Asian countries which have recently gained their independence. On only one occasion did Chou say that the Chinese delegation would not accept the criticisms by various delegations of the Soviet Union, because it not unnaturally felt itself involved by them. This attitude of non-involvement was a matter of tactics, but the Soviet leaders may feel that Chou did them less than justice at Bandung. At any rate, the obvious disinclination of the Chinese to stress the Sino-Soviet connection at Bandung indicates that it is a liability to present Chinese policy in Asia.

23. The second question which the conciliatory attitude of the Chinese poses is the degree to which it was successful in allaying the suspicions which most Asian countries entertain of China. It would seem that Chou was at least partly successful in convincing the non-communist nations of his good faith. Although many delegates expressed doubts about Chinese intentions, none attacked China openly, and all were plainly impressed and confused by Chou's attitude. The chief Philippine delegate, General Romulo, even went so far as to say that Chou's first speech "showed democratic spirit". The Chinese made progress towards establishing informal relations with those countries which do not recognize them. They offered to negotiate agreements regarding the nationality of overseas Chinese. It seems likely that the question of Chinese representation at the United Nations will become progressively more difficult and that China will be able eventually to establish wider trade and possibly even diplomatic relations with Japan, if not with Thailand and the Philippines.

The Friends of the West

24. This question brings up the related one of United States influence at the Asian-African Conference. There is no doubt that some of the countries represented saw their role as spokesmen for the West. Nevertheless, what were taken by most observers to be pro-Western stands on the part of certain delegates, appear after closer study to be better described as anti-communist. The Asian countries which are Western inclined seemed to value the Western alliance according to the magnitude of the Chinese (or Soviet) threat. There are other factors which determined the stand of the non-communist delegations, among which was the consciousness of sharing similar political ideals with the Western nations. Nevertheless, it is difficult to escape the conclusion that the countries of Asia which are allied with the West support its policies often for negative reasons, the most important of which is fear of Chinese intentions, but among which opposition to Indian leadership should also be mentioned. It seems to follow from this that the Chinese are in a position to undermine Western influence in Asia with some degree of success.

Indian Influence

25. Some observers have concluded that, as Chou En-Lai was so prominent, the Conference was a diplomatic defeat for India. This may be a reflection of wishful thinking upon the part of those who are not favourably disposed towards Mr. Nehru or his policies. It does not describe the facts adequately, since, as despatch 562 of May 9† from New Delhi points out, the Indians did not see the Bandung Conference as "a third force demonstra-

tion" and were, in fact, not very enthusiastic about the whole idea. Mr. Krishna Menon played a large part in the drafting of the communiqué and Mr. Nehru was very active in the important task of bringing various delegations together in informal meetings outside the Conference, and was apparently always listened to with respect. However, many of the delegations often took a negative stand in opposing India, and Mr. Nehru is reported not to have stood up very well in debate. Whatever the reasons for the apparent reluctance of the Indian delegation to play a leading part at Bandung, this failure on its part was surprising and has not facilitated the spread of Indian influence.

Other Delegations

26. From the despatches from our missions in the area and especially from conversations in Ottawa with Mr. Raju Coomeraswamy and Mr. John Senduk, both of whom attended the Conference, the former on the Ceylonese delegation and the latter as an Indonesian supervisor of the press arrangements, the following summary of the attitudes and effectiveness of the various delegations is possible. What is most immediately surprising in such a review is that the Japanese delegation, which undoubtedly included officials with a wide experience of international conferences, played a minor role in the Political Committee, although it was more active in the Economic and Cultural Committees. The Japanese doubtless feared that too active a role in the political discussions might both appear insincere and be badly received. For that reason, the Japanese had probably decided that it would be wiser to wait until Japan's position in Asia has been made more secure before attempting to exercise any political influence in the area.

27. With the exception of Egypt, the African states contributed little. Colonel Nasser played a helpful if not a dominating role in his position as chairman of the Drafting Committee and acted as a mediator between the Western-inclined states and the Indians and the Chinese. Even Salah Salem was relatively subdued and left delegates with the impression of being an astute and moderate adviser to Colonel Nasser. The latter was in increasingly close touch with Mr. Nehru and although he seems to have been impressed by Chou, he apparently undertook no commitments to develop diplomatic relations with China. Nevertheless, the Minister for Religious Foundations (Waqf) did visit China at Chou's invitation. In the Conference proceedings, the Egyptians were mainly concerned to have a resolution on Palestine adopted. If this resolution is not more strongly worded than it was, this was due to the moderating influence of U Nu, whose role once again was to infuse the Conference with an aura of peace and good will.

28. Turkey, Iraq and Pakistan lead the anti-communist group, which was mainly composed of the Arab States and was known among the other delegations as the "American bloc". Among these, Syria was the most moderate and Dr. Charles Malik of Lebanon was, according to an Australian despatch, "at his philosophical best". The Pakistan delegation was perhaps the most effective of the Western inclined states, although it sometimes opposed proposals merely because India supported them. The Turkish delegation gave the impression of being able, but somewhat unyielding when it would have profited it to do so. Both the Thai delegation (whose head, Prince Wan, was rapporteur of the Political Committee) and the Philippine delegation were surprisingly restrained. One of the happier results of the Conference may lie in the fact that India seems to have modified its former attitude of disdain towards both these countries and may attempt to develop better relations with them.

29. The Ceylonese Prime Minister came to the Conference with the intention to act as mediator in the Formosa dispute and was apparently greatly disappointed that his first efforts were not taken as seriously as he would have wished. For this reason, many delega-

tions suspected that Sir John's attack on Soviet colonialism was dictated more by pique than because of any sincere desire to place on record the facts of Soviet colonialism in Eastern Europe. Although this is probably too extreme a view of Sir John's role, it is not unfair to speculate whether Sir John would have made his controversial statement if his attempts at mediation had been successful. The final result of this affair would seem to be an unfortunate worsening of Indian-Ceylonese relations. Finally, it is encouraging that not only did Indonesia acquit itself well in laying down the arrangements for the Conference, but seems to have gained a new access of international confidence, which may have the final effect of making its foreign policy less insecure. However, Prime Minister Ali Sasroamidjojo's activities as Chairman of the Conference were not marked by any great firmness or imagination.

30. North Vietnam, Laos and Cambodia all sent strong delegations, headed respectively by Foreign Minister Pham Van Dong, Prime Minister Katay, and Prince Sihanouk. In contrast to this the South Vietnamese delegation was rather weak and appeared to be on the defensive, which was in part due to the civil war in Saigon which was going on at the time. Any hopes which the Indians may have entertained of bringing the North and South Vietnamese delegations together were not realized. However, an understanding was apparently reached between India, China and the Viet Minh regarding Laos and Cambodia. Prime Minister Katay and Pham Van Dong signed, in the presence of Nehru and Chou, a protocol in which the Viet Minh agreed to respect the sovereignty and territorial integrity of Laos and acknowledged that the settlement of the Pathet Lao problem was an internal matter. Prime Minister Katay interpreted this as giving him a free hand to deal with the Pathet Lao as he saw fit, while the Indians and the Viet Minh rather interpreted it as an offer by the Viet Minh to lend their good offices to assist in reaching a settlement between the Pathet Lao and the Royal Laotian Government. Prince Sihanouk, in his opening speech at the Conference, asserted Cambodia's support for the Five Principles, and said that he did not consider them inconsistent with assistance from Western countries.

31. The final communiqué did not include a section supporting the Geneva settlement, because it was evident that the South Vietnamese would not agree to such a reference and would probably use the occasion to attack the settlement. For the same reason Indochina was not a subject of discussion at the Conference, in spite of the fact that Mr. Nehru had intended to give an account of India's stewardship as chairman of the Indochinese Commissions. Nevertheless, the understandings reached outside the Conference were of some importance to ourselves as members of the International Supervisory Commission.

32. On April 17, Mr. St. Laurent sent the following message to the Prime Minister of Indonesia:

"On the occasion of the convening of the Asian-African Conference, I would like to convey through you the good wishes of the people and Government of Canada for the success of the Conference. I hope that the Conference will contribute to the welfare of the people of Asia and Africa and promote the settlement by peaceful means of all disputes likely to endanger the maintenance of international peace and security."

33. On May 3, the Prime Minister of Indonesia replied in the following terms:

"As Chairman and on behalf of the Asian-African Conference, I would like to express our high appreciation for the good wishes of the people and Government of Canada to the Conference. The heartfelt sentiment underlying these good wishes were warmly received by the Conference. I am convinced that you and your Government receive in the same spirit the results of the Conference which I hope may contribute to the promo-

tion of world peace and co-operation. With assurances of my highest consideration, Ali Sastroamidjojo”.

34. From other sources as well we learned that the message was very well received by the Conference, the more so as it was the only direct message sent by a Western country.

35. Most of the other aspects of the Asian-African Conference have been emphasized in the press and need only be repeated summarily. In spite of the remarkable diversity of its participants, the Conference was able to agree in formulating a common general attitude on a wide agenda, though this does not mean, of course, that this unanimity would be maintained if more specific problems had been considered. Nevertheless the spirit of compromise prevailed and it was evident that almost all the participants were anxious to make the Conference a success. This may have been in part a reflection of the determination of the Asian countries to make their influence more effective in foreign affairs which would have been impossible if the Conference had broken down. It was also due to the conviction that the countries represented could make a contribution to peace, and there may have been present in the minds of all the delegates the contrast between the responsibility in the Bandung Conference and the controversy which is normal in the United Nations. One point, however, which has not been emphasized to any great extent, is that Asia seems to feel that it has a responsibility towards Africa. It is difficult to see how this development can take place without conflict with the European colonial powers, not to speak of South Africa.

36. This letter does not do full justice to the complex problems raised by this remarkable conference, which seems to have given the independent nations of Asia and Africa a new sense of confidence which will not only increase their authority but may have the final result of bringing closer the time when Asia will be able to co-operate with the West without any of the after-thoughts of colonialism which have impeded good relations until now. If this is so, the beneficial effects of the Asian-African Conference from the Western point of view will outweigh Communist China's undoubted success there.

ARTHUR MENZIES
for Secretary of State
for External Affairs

8^e PARTIE/PART 8JAPON
JAPAN

SECTION A

CRIMINELS DE GUERRE
WAR CRIMINALS

781.

DEA/4060-C-40

*Note du sous-secrétaire d'État aux Affaires extérieures
pour le secrétaire d'État aux Affaires extérieures*

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

CONFIDENTIAL

[Ottawa], March 17, 1955

CLEMENCY FOR MAJOR JAPANESE WAR CRIMINALS

I am informed that Mr. Campney will be submitting the attached memorandum to Cabinet at its meeting tomorrow, March 18, 1955.

You will recall that last March, in discussing the Araki case, Cabinet expressed the hope that some formula would be unanimously agreed upon by the eight Governments entitled to the exercise of clemency under the Japanese Peace Treaty under which the early release of some of the major war criminals at present serving sentences in Japan could be effected; Cabinet indicated at the time, however, that Canada should not take the initiative in proposing such a formula. Last Fall the Japanese Government applied for the release of all the major war criminals and the United States has now proposed to the other Governments concerned that these men should be released on parole upon completion of ten years imprisonment, i.e. at the end of 1955 in all but one case.

The attached memorandum recommends basically that the United States proposal be accepted by Canada, provided that it is accepted by a majority of the governments concerned. It is based on the views of the Interdepartmental Clemency Review Committee on which this Department is represented.

J. L[ÉGER]

[PIÈCE JOINTE/ENCLOSURE]

*Note du ministre de la Défense nationale
pour le Cabinet*

*Memorandum from Minister of National Defence
to Cabinet*

CABINET DOCUMENT NO. 59-55

[n.d.]

CONFIDENTIAL

CLEMENCY FOR JAPANESE WAR CRIMINALS

On 8 October, 1954, the Government of Japan requested amnesty at the earliest possible date for the following Japanese class "A" war criminals who are presently serving life sentences and who are now, with the exception of OKA and HATA who are medically paroled, confined in Sugamo Prison in Japan.

Name Age Name Age

ARAKI, Sadao	77	OKA, Takasumi	64
HASHIMOTO, Kingoro	64	OSHIMA, Kinoshi	68
HATA, Shunroku	75	SATO, Kenryo	59
HOSHINI, Naoki	62	SHIMADA, Shigetaro	71
KAYA, Okinori	65	SUZUKI, Teiichi	66
KIDO, Koichi	65		

Alternatively, the Japanese Government requested that consideration be given to clemency for those war criminals who are over the age of 70.

2. At a recent meeting of representatives of the eight allied governments that had been represented on the International Military Tribunal for the Far East, namely, the United Kingdom, Netherlands, France, Australia, New Zealand, United States, Pakistan and Canada, the United States recommended that view of the governments concerned be sought on the acceptability of a general formula providing for release on parole of Japanese class "A" war criminals upon the completion of ten years imprisonment.

3. If the United States' proposal is accepted it will mean that all "A" class Japanese war criminals with the exception of SATO will be eligible for parole by the end of December 1955. SATO would be eligible in April 1956.

4. The United Kingdom is now considering the United States proposal. In the past the United Kingdom has opposed granting a "blanket" amnesty, preferring a formula which treats a life sentence as one of 21 years subject to one-third time off for good behaviour. Any request for clemency beyond this, the United Kingdom thinks, should depend on its merits.

5. The effect of the United Kingdom's approach would be that the majority of the "A" class Japanese war criminals would not be eligible for parole until the latter part of 1959.

6. The position of the other interested governments, with the exception of France, Pakistan and Australia, is one of approval of the United States proposal if a majority of the other governments also approve of it. France approves but attaches a condition of parole to be abstention from political activity. Pakistan favours immediate and unconditional release of all war criminals. Australia has not expressed a firm opinion.

7. In the past the Canadian Government has taken the position that it would not adopt a firm stand on the issue of early release of Japanese "A" class war criminals. Cabinet has expressed the hope that unanimity could be achieved on some formula as for example, that put forth at an earlier date by New Zealand which was essentially the same as the present United States proposal. See Cabinet Conclusion dated 25 March, 1954.

8. Although there are differences of opinion on this particular point, the view has been expressed that a general parole of Japanese class "A" war criminals would, to the Japanese people, be tantamount to admitting that they were wrongly imprisoned in the first instance. It has further been suggested that an amnesty of this nature would not inspire the Japanese to respect law and order and would put the governments concerned in the position of sacrificing principle for political expediency.

9. Also pertinent to the question of early release of Japanese "A" class war criminals is the question of minor Japanese war criminals. According to a recent Japanese survey there are still 706 minor war criminals being held. Of this number the United States hold two hundred and seventy-seven. At the last meeting of the representatives of the said eight governments it was agreed that recommendations should be made to the governments it was agreed that recommendations should be made to the governments holding minor Japanese war criminals that expeditious action be taken on their release in order that they would not be penalized more heavily than "A" class war criminals. Canada did not try and consequently has never held any minor Japanese war criminals, nor has Canada had any responsibility, collective or otherwise for the administration of their sentences.

10. While the Clemency Review Committee considers that the position hitherto taken by the United Kingdom (see para 4), is most sound, in order to achieve unanimity among the governments concerned the Committee recommends that the Canadian Ambassador in Washington be instructed:

(a) to support the United States proposal that Japanese "A" class war criminals be released on parole upon completion of 10 years imprisonment, if a majority of the governments concerned support it; or alternatively

(b) to support any proposal for clemency to those "A" class war criminals who are over the age of seventy years; and in any event

(c) to support the French proposal that paroles granted be made subject to the condition that parolees abstain from political activities.

Respectfully submitted,
[R.O. CAMPNEY]

782.

DEA/4060-C-40

*Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis*

*Secretary of State for External Affairs
to Ambassador in United States*

DESPATCH L-483

Ottawa, April 7, 1955

CONFIDENTIAL

Reference: My teletype EX-522 of March 21, 1955† para 2.

CLEMENCY FOR MAJOR JAPANESE WAR CRIMINALS

I attach for your information a copy of the memorandum which was submitted to the Cabinet last week on this issue.

2. The Cabinet did not approve this memorandum, but merely noted it and agreed that you should be instructed to submit a confidential report on this matter after discussing it with the United States State Department and the United Kingdom Ambassador in Washington, and expressing at the same time the hope of the Canadian Government that the United States and the United Kingdom could come together in their approach to the problem.

3. I understand that in the Cabinet discussions which led to the decision reported above, the following points were brought out:

(a) Class "A" war criminals consisted of individuals who had been responsible for the policy that had led to the last war, and who had been in senior positions of authority during that war. Minor war criminals were those who had been convicted for specific crimes. It did seem incongruous to release Class "A" criminals while holding those in the latter category.

(b) The best course would be to settle the whole problem immediately rather than release the prisoners in small groups over a period of time. In following the first course, a certain amount of good will might be gained. It would be desirable, also, not to impose any conditions on the former prisoners, such as the one suggested regarding political activities on release.

(c) The U.K. has had a good deal of experience in dealing with Orientals and there might be something to be said for their view that a general release would lead the Japanese to think these persons had been wrongly imprisoned. On the other hand, the Japanese probably felt that way anyway. Furthermore, the U.S. had the main responsibility in Japan and this seemed to be a clear case where it would be preferable for Canada to take a similar position.

(d) It was not desirable to prevent the exercise of clemency. At the same time, in working out a procedure it should not appear that there was to be a blanket reversal of the policy adopted at the end of the war. If a majority of the countries concerned agree with the U.S. position, Canada should not stand in its way.

(e) If there were some position between the U.S. proposal of release after ten years and the British view that a life sentence should be regarded as a period of twenty-one years, subject to one-third off for good behaviour, it might be an acceptable compromise. It was observed, on the other hand, however, that these trials had been purely political in character and there was no established jurisprudence for such cases.

(f) In general, Canada should go along with the U.S. who felt it essential to have the friendship of Japan. Before taking a final decision, however, it would be useful to have a confidential report from the Ambassador in Washington, after he had spoken to the U.S. State Department and the U.K. Ambassador there on this matter. Mr. Heeney might express in these talks the view that Canada hoped the U.S. and the U.K. would come together in their approach to the problem.

3. Therefore, please take action as indicated in paragraph 2 above and report to me.¹⁵⁶

R.A. MACKAY
for Secretary of State
for External Affairs

783.

PCO

*Note du ministre de la Défense nationale
pour le Cabinet*

*Memorandum from Minister of National Defence
to Cabinet*

CABINET DOCUMENT NO. 164-55

[n.d.]

SECRET

CLEMENCY FOR MAJOR JAPANESE WAR CRIMINALS

By Cabinet Decision dated March 23, 1955, it was directed that the Canadian Ambassador to Washington be instructed to submit a confidential report on the question of clemency to major Japanese war criminals after discussing the matter with the United States State Department and the United Kingdom Ambassador in Washington. The hope of the Canadian Government was expressed that the United States of America and the United Kingdom could come together in their approach to the problem.

United States Position

2. The Ambassador subsequently reported that the question of Japanese war criminals has currently been under study in the United States State Department. The "mass release" formula was no longer favoured, considering particularly that it might cause repercussions over the United States handling of German war criminals. This approach however in no way vitiates the United States' proposal to release class "A" war criminals on parole after they have completed ten years' imprisonment. The new approach would be to release each prisoner as he became eligible. The first will become eligible on September 11, 1955, and the last on April 25, 1956.

3. An alternative method suggested was to arrange releases on medical parole. This suggestion was based on the assumption that requests for clemency on medical grounds would be made prior to the end of 1955 for all class "A" war criminals. Paroles of this nature have already been granted to Jiro Minami, Shunroku Hata, Tukasumi Oka, Shigetaro Shimada and Sadao Araki. If and when a formula for release of Japanese war criminals is agreed upon such formula will be applied to these war criminals as well as those who are still confined in Sugamo prison.

4. With the release of Sadao Araki on medical parole all war criminals over the age of 70 have now been released.

5. The United States is now concerned over the fact that some "hard core" minor war criminals will still be in prison after the class "A" war criminals are release. The United

¹⁵⁶ Note marginale :/Marginal note:

Mr. Wershof consulted Mr. Paul Pelletier before this Despatch was prepared: Mr. Pelletier authorized the incorporation in paragraph 2 above of the report of the points which were brought out in the course of Cabinet discussions on March 23/55. G. S[icotte].

States view seems to be that the crimes of some of the minor war criminals were of a heinous nature and deserving of severe punishment whereas some of the class "A" war criminals were convicted on general grounds. The release of minor war criminals held by the USA other than the 20 or 30 "hard core" cases, is proceeding, their release being now a question for the Clemency Board to decide and not one needing the President's approval as in the past.

6. The United Kingdom has now decided to treat life sentences of minor war criminals within its jurisdiction as being 15 years' imprisonment. This coupled with one-third time off for good behaviour will mean that normally prisoners will be eligible for parole after ten years. The United Kingdom reserves to itself the right to detain individuals longer if this is necessary. The United Kingdom is not giving publicity to this decision and has passed it to Commonwealth authorities in confidence.

United Kingdom Position

7. While the United Kingdom has in the past favoured the fourteen year formula, i.e., considering the life sentence of Japanese war criminals twenty-one years, with one third time off for good behaviour, it has now instructed the British Embassy in Washington to support the United States proposal for release on parole after ten years in confinement. Until recently the United Kingdom favoured unconditional release on the ground that parole was unrealistic since there is no means of ensuring enforcement of parole restrictions imposed upon the parolees for the rest of their lives.

Other Governments Position

8. The position taken by the other interested Governments on the United States proposal for the paroling of the war criminals after ten years is at present as follows:

PAKISTAN—favours unconditional release but would accept something less if majority approved;

FRENCH—approves United States position but is inclined to favour a release with the qualification that parolees should abstain from political activity;

NETHERLANDS—while he was without instructions from his government, the Netherlands representative felt that his government would support the then United Kingdom approach, i.e., unconditional release;

NEW ZEALAND—favours United States proposal;

AUSTRALIA—favours United States proposal.

9. It appears from the foregoing that there now exists a consensus among most of the Governments concerned in favour of releasing major Japanese war criminals after they have served ten years of their sentence.

10. In the circumstances the Interdepartmental Committee on Clemency Review recommends that its former recommendation which was considered by Cabinet on March 23, 1955, be amended and that the Canadian Ambassador in Washington be instructed:

(a) to support the United States proposal that Japanese "A" class war criminals be released individually as each such war criminal completes ten years' imprisonment, if a majority of the Governments concerned support it;

(b) to support, but not initiate any proposal that releases be unconditional, but if no such proposal is made, or if a majority of the governments concerned favour release on parole, to support such latter proposal; and

(c) to support the contention that abstention from political activity on the part of the reprieved should not be made a condition of parole release in the event this form of release is adopted.

[R.O. CAMPNEY]

784.

DEA/4060-C-40

*Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis*
*Secretary of State for External Affairs
to Ambassador in United States*

TELEGRAM EX-1453

Ottawa, August 19, 1955

SECRET

Reference: My teletype EX-1302 of July 21† and your teletype WA-1374 of August 12, 1955.†

JAPANESE WAR CRIMINALS

Cabinet has now approved recommendation of Interdepartmental Committee relating to release of Class A war criminals. This recommendation conforms to paragraph 3(a) of my teletype under reference: i.e. it approves proposal for release of war criminals individually as each one completes ten years imprisonment, if a majority of the Governments concerned support this.

2. With respect to the conditions of release, the Government would support (but would not, repeat not, wish you to initiate) any proposal that might be made that the release be unconditional. At the same time, if no such proposal is made, or if a majority of the Governments concerned favour release *on parole*, we are to support such latter proposal. Finally, we are also to support the contention that abstention from political activity on the part of the reprieved should not, repeat not, be made a condition of parole in the event that this form of release be adopted.

3. You may govern yourself accordingly in discussions with representatives of other Governments concerned in Washington.

4. We are advising High Commissioners of United Kingdom, Australia and New Zealand here of the Government's decision reported above.¹⁵⁷

¹⁵⁷ Note marginale :/Marginal note:

The text of this telegram cleared with Brig. Lawson and Mr. Christie.

Note: I was informed of Cabinet's approval — see para. 1 above — today by Mr. Halliday of the Privy Council. G. Sicotte

785.

DEA/4060-C-40

*L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures*
*Ambassador in United States
to Secretary of State for External Affairs*

TELEGRAM 1526

Washington, September 7, 1955

CONFIDENTIAL

Reference: Our telegram No. 1452 of August 25/55.†

JAPANESE WAR CRIMINALS

Representatives of the eight interested governments met today, September 7, at the call of the State Department to consider once again the ten-year eligibility formula with respect to the release of Japanese class "A" war criminals. In view of all the discussion which has gone on concerning the ten-year eligibility formula, the meeting took a somewhat surprising turn. The upshot of the meeting was a decision to recommend to governments a kind of "gentlemen's agreement" that class "A" war criminals be considered eligible for parole after serving ten years of their sentences, without governments having to take a firm position on a "formula" and without the interested governments informing the Japanese Government of the adoption of a rigid plan.

2. Agreement in the above term came about partly as a result of a desire to meet The Netherlands position (our telegram 1432 of August 22†) and partly as a result of further elaboration of the United States position. The Netherlands representative said that his government would be prepared to vote for the release of the three war criminals who became eligible for release on September 14, but would not be able to join other governments in approving the ten-year formula. (He implied that his government would probably agree to the release of the other major war criminals as they become eligible after serving ten years of their sentences.) The United States representative said that in the United States conception of the ten-year eligibility formula there was a distinction between eligibility and a decision to release. The United States would regard acceptance of the eligibility formula as simply committing governments to examine the case of an individual war criminal after he had served ten years. Agreement to the formula did not, in the United States view, commit governments to automatic approval of the parole after ten years.

3. The "gentlemen's agreement" approach seemed acceptable to other representatives. Since it did not run counter to your instructions, we offered the opinion that it would probably be acceptable to you.

4. It was agreed, therefore, to recommend to governments that they instruct their Embassies in Tokyo to consult on the sending of similar notes to the Japanese Foreign Office which would deal mainly with the three war criminals eligible for parole on September 14, i.e., Hashimoto, Kaya, and Suzuki, but which would also make passing reference to the ten-year eligibility formula. (The same procedure would be followed when the remaining war criminals became eligible). If this plan of action could be agreed to by governments, it seemed desirable that the substantive paragraph of the notes to the Japanese Government should read as follows:

"The Government of (blank) has consulted with the other Allied Powers concerned, amongst whom it has been decided in accordance with Article 11 of the Treaty of Peace

with Japan that Hashimoto, Kaya, and Suzuki may be released on parole, effective upon the completion of ten years imprisonment, on September 14, 1955."

It was thought that the first paragraph of the notes might refer to the recommendations of the Government of Japan for parole of these individuals in much the same terms as has been used in past cases where medical parole has been granted.

5. So far as publicity was concerned, all representatives at the meeting were prepared to accept your suggestion (your telegram 1482 of August 23†) that publicity be left to the Japanese Government.

6. There was some discussion as to whether the terms of the parole should be spelled out, but it became clear that it would be difficult to get agreement among the governments concerned if they were forced to state their individual positions on this score. It seemed desirable, therefore, that no attempt be made to elaborate on what was meant by parole. In practical terms it would probably be synonymous with outright release, but some of the governments represented at the meeting were not prepared to admit this fact in official correspondence with the Japanese Government.

7. If the view reached by the meeting is acceptable to you, you might instruct our Embassy in Tokyo to co-ordinate their action with that of the other interested Embassies there. We should be grateful, however, if you would keep us informed.¹⁵⁸

SECTION B

IMMIGRATION

786.

PCO

*Note du ministre de la Citoyenneté et de l'Immigration
pour le Cabinet*

*Memorandum from Minister of Citizenship and Immigration
to Cabinet*

CABINET DOCUMENT NO. 76-55

Ottawa, April 18, 1955

CONFIDENTIAL

JAPANESE IMMIGRATION — RETURN OF FORMER RESIDENTS OF CANADA AND SPECIAL CASES

1. During World War II and immediately after the termination of hostilities, a number of Canadian citizens and residents of Japanese race were repatriated to Japan. By Order-in-Council P.C. 10773 of November 26th, 1942, Canadian citizens by birth or naturalization who effected departure from Canada under a wartime exchange were deprived of their status as Canadian nationals and British subjects. Twenty-two adults and nine children lost their status as Canadian nationals and British subjects under this Order-in-Council. Canadian citizens by naturalization who were repatriated after the war under the provisions of Order-in-Council P.C. 7355 of September 15th, 1945 were also deprived of their status as

¹⁵⁸ Le 14 septembre 1955, l'ambassade à Tokyo a remis au ministère japonais des Affaires étrangères une note verbale établie d'après l'ébauche préparée à Washington.

On September 14, 1955, the Embassy in Tokyo delivered a *note verbale* to the Japanese Ministry of Foreign Affairs based on the draft drawn up in Washington.

Canadian nationals and British subjects by Order-in-Council P.C. 7356 of the same date. Five hundred and sixty-five persons are listed under this Order-in-Council. Those who were not British subjects or Canadian nationals but who were repatriated, lost any claim to Canadian domicile under the Immigration Act and, therefore, have no right of return to this country.

2. A considerable number of persons who did not lose their Canadian citizenship through repatriation have indicated a desire to come back to Canada and an undetermined number have returned. In the case of the others, i.e., those who relinquished Canadian status through repatriation, it is not intended to allow a return movement on any scale nor, in the usual course of events, to give favourable consideration in those cases where the individual concerned, acting on his own initiative and in full realization of the consequences of his act, accepted repatriation. However, a few cases have come to the attention of the Immigration Branch where there are strong humanitarian grounds for making exceptions and allowing the return of repatriates even though such persons may not come within the admissible classes under existing regulations governing Asians, i.e., spouses and unmarried children under 21 years of age of Canadian citizens resident in Canada.

3. In the deserving cases, there is usually a pattern of long previous residence in Canada and Canadian-born children residing in Canada on whom the prospective immigrant is dependent for support. A number of cases involve widowed or legally separated mothers who accepted repatriation in order to accompany their husbands and families to Japan and in those cases where adult males are involved, there is usually some extenuating circumstance such as previous service in the Canadian Armed Forces or Canadian sons with such service.

4. In addition, a few cases not involving repatriates have come to the attention of the Immigration Branch where very strong compassionate grounds exist for the admission of relatives of Canadian citizens not coming within the admissible classes defined in the regulations.

5. A strict policy has been followed in respect of immigration from Japan since the war. Only in very few cases has special authority been sought for the admission of persons not coming within the admissible classes. These involved parents or children of Canadian citizens where the humanitarian and compassionate circumstances were most compelling.

6. It is considered that a close check should be maintained on Japanese immigration and, in general, that the regulations laid down should be adhered to. Nonetheless as indicated above, there are now and undoubtedly will be in future, cases involving close relatives of Canadian citizens not coming within the admissible classes where special consideration would seem to be warranted on humanitarian or compassionate grounds.

THE UNDERSIGNED, THEREFORE, RECOMMENDS THAT:

(1) Notwithstanding the provisions of Orders-in-Council P.C. 10773 of November 26th, 1942 and P.C. 7355 and P.C. 7356 of September 15th, 1945, the Governor-in-Council be requested to grant authority in individual cases as they arise for the admission or re-admission of persons of Japanese race not coming within the admissible classes of persons laid down by regulation where:

- (a) such persons are close relatives of Canadian citizens, and
- (b) strong humanitarian or compassionate grounds for admission exist.¹⁵⁹

[W.E. HARRIS]

¹⁵⁹ Approuvé par le Cabinet, le 20 avril 1955/Approved by Cabinet on April 20, 1955.

787.

DEA/9890-40

*Note du sous-secrétaire d'État aux Affaires extérieures
pour le secrétaire d'État aux Affaires extérieures*

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

CONFIDENTIAL

[Ottawa], November 22, 1955

ENTRY TO CANADA OF AGED JAPANESE PARENTS

The Deputy Minister of Citizenship and Immigration has enclosed, with the attached letter of November 15,† a copy of a memorandum addressed by him to the Minister of Citizenship and Immigration. The memorandum deals with the admission to Canada of certain classes of Japanese.

2. The question Mr. Pickersgill wishes decided is whether the Cabinet Directive of October 12, admitting to Canada aged Asian parents of Canadian citizens provided strong humanitarian or compassionate grounds for entry exist, should be interpreted as applying to Japanese parents who lost their Canadian citizenship by Orders-in-Council through repatriation during or immediately after World War II.¹⁶⁰

3. Colonel Fortier in his letter states that the Minister of Finance has been asked to discuss the question raised in the memorandum with you either over the telephone or at the next meeting of Cabinet. He says Mr. Pickersgill will agree to whatever you and Mr. Harris decide. Attached is the text of the memorandum of the Minister of Citizenship and Immigration to Cabinet of April 18 referred to in Colonel Fortier's memorandum. The Cabinet decisions of April 20 and October 12 are quoted in this memorandum.

4. Colonel Fortier's memorandum opposes re-admission of the Japanese parents concerned. He argues that Japanese parents, after having accepted Canadian nationality before the last war, renounced their adopted nationality on the first occasion their country of adoption was at war with their country of origin.

5. You might wish to favour the re-admission to Canada of aged Japanese parents who lost their Canadian citizenship through repatriation, in the same way as other Asian parents are admitted. Their entry would be subject to the proviso that they are joining their children who are Canadian citizens, and that strong humanitarian or compassionate grounds for re-admission exist. The arguments in favour of this course are:

(a) Canada's relations with Japan are now friendly and the Canadian Government is subject to criticism in Japan for preventing reunions of families. The Japanese attach a good deal of importance to arrangements permitting children to care for aged parents. The number would not be large; at most a few hundred would be eligible over a period of years and not many of these could afford to come.

(b) The aged parents (they must be 60 years of age or over in the case of the mother and 65 years of age or over in the case of the father to be re-admitted) are a harmless group and in entering Canada would not become involved in domestic political matters. Nor would they represent any permanent increase in the population of Japanese origin in Canada.

(c) The proviso that strong humanitarian or compassionate grounds for admission must exist will still leave the Department of Citizenship and Immigration with discretionary powers.

¹⁶⁰ Voir/See Document 778.

(d) The Canadian Government was not as strict during the war in its treatment of Canadian citizens of German and Italian origin as it was with those of Japanese origin; there are no restrictions against the entry to Canada of German or Italian parents of Canadian citizens. It might be desirable, therefore, not to establish special regulations affecting the Japanese.¹⁶¹

J. L[ÉGER]

[PIÈCE JOINTE/ENCLOSURE]

*Note du sous-ministre de la Citoyenneté et de l'Immigration
pour le ministre de la Citoyenneté et de l'Immigration*

*Memorandum from Deputy Minister of Citizenship and Immigration
to Minister of Citizenship and Immigration*

Ottawa, November 11, 1955

On October 12th, Cabinet approved your recommendation that favourable consideration could be given to applications from Canadian citizens residing in Canada for the admission of their Asian parents when, in the case of the mother, the proposed immigrant would be 60 years of age or over and, in the case of the father, 65 years of age or over at the time of entry to Canada.

This decision covers all cases of parents who are Asians.

Earlier this year, Cabinet had to consider, on your recommendation, the admission of Japanese who, during World War II or immediately after the termination of hostilities, were repatriated to Japan and who, consequently, lost their British or Canadian status under Order in Council P.C. 10773 of November 26th, 1942, or Order in Council P.C. 7355 of September 15th, 1945. On that occasion, it was decided that, "notwithstanding the Orders in Council referred to above, authority be granted in individual cases as they arose for the admission or re-admission of persons of Japanese race not coming within the admissible classes of persons laid down by regulation, where such persons were close relatives of Canadian citizens and where strong humanitarian and compassionate grounds for admission existed."

In your memorandum of April 18th, 1955, to Cabinet it was stated:

"In the case of others, i.e., those who relinquished Canadian status through repatriation, it is not intended to allow a return movement on any scale nor, in the usual course of events, to give favourable consideration in those cases where the individual concerned, acting on his own initiative and in full realization of the consequences of his act, accepted repatriation."

"In the deserving cases, there is usually a pattern of long previous residence in Canada and Canadian-born children residing in Canada on whom the prospective immigrant is dependent for support. A number of cases involve widowed or legally separated mothers who accepted repatriation in order to accompany their husbands and families to Japan and in those cases where adult males are involved, there is usually some extenuating circumstance such as previous service in The Canadian Armed Forces or Canadian sons with such service."

¹⁶¹ Note marginale :/Marginal note:
OK L.B. P[earson]

In interpreting this directive, each case has been studied on its own merit. Generally, when the proposed immigrant included the head of the family who had applied for repatriation, the application was refused except where there were extenuating circumstances.

In the case of widows or separated wives, applications often received more sympathetic consideration and, in most cases, were approved.

The question now to be decided is whether or not the directive of Cabinet of October 12th which provides for the admission of aged parents should equally apply, without the restriction by Cabinet directive of April 18th, 1955,¹⁶² to Japanese aged parents who were repatriated during the war or immediately after the termination of hostilities.

It is felt that favourable consideration should not be extended to those who, after having accepted British nationality before the last world war, renounced their adopted nationality on the first occasion their country of adoption was at war with their country of origin.

I would appreciate receiving your instructions in this regard.

When I brought this matter to your attention earlier this month, you indicated that you would like discussing it with your colleagues at a Cabinet meeting following Mr. Pearson's return.

LAVAL FORTIER

788.

DCI/128/3-33-19

*Note du sous-ministre par intérim de la Citoyenneté et de l'Immigration
pour le ministre de la Citoyenneté et de l'Immigration*

*Memorandum from Acting Deputy Minister of Citizenship and Immigration
to Minister of Citizenship and Immigration*

Ottawa, January 16, 1956

RE APPLICATIONS FOR READMISSION OF JAPANESE AGED PARENTS WHO HAD
RELINQUISHED PREVIOUS STATUS IN CANADA BY ACCEPTING
REPATRIATION AFTER WORLD WAR II

We have on hand several applications in the above category which are entirely acceptable from the standpoint of compassionate grounds and reunion of families but the question has arisen as to whether they should be excluded from the benefits of the Cabinet Directive of April 18, 1955 concerning Japanese and the announcement of October 12, 1955 concerning aged Asian parents solely because they had accepted repatriation. Under date of November 30, 1955 the Deputy Minister furnished the following instructions:

"Reference you memorandum of November 9th† concerning the admission of aged parents from Japan. I have asked the Minister for a directive and he has ruled that, in the case of Japanese parents who renounced or were deprived of their Canadian citizenship during the last World War or following the war, the directive of cabinet of April 18th should be followed and we should admit only such parents when there are very special circumstances.

In other words, those who have accepted repatriation or have applied for repatriation should generally be refused except when there are extenuating circumstances.

¹⁶² Note marginale :/Marginal note:

Should be April 20 [Auteur inconnu/Author unknown]

In the case of widows or separated wives, when the head of the family accepted repatriation, these applications could receive more sympathetic consideration.

If you refer to the Memorandum of Cabinet of April 18th, 1955 you will see that it was stated that it was not intended to allow a return movement on any scale from Japan, but that only deserving cases would receive consideration.

Therefore, in the interpretation of Cabinet directive, it would be appropriate to refer to the statements made in support of the recommendation and, notwithstanding the recent decision of Cabinet to admit Asian parents, Cabinet directive of April 1955 still applies.”

We are having difficulty in interpreting the above ruling. We cannot say truthfully that these Japanese repatriated aged parent applications offer any “very special circumstances” over and above the basic humanitarian grounds. The only extenuating circumstance in these cases is the fact that the parents made an unwise choice when they elected to return to Japan after the war. In this connection it could be taken into consideration that Japanese Canadian citizens had been treated differently from other Canadian citizens following the declaration of war with Japan. All persons of Japanese race, whether or not their loyalty was in question, were evacuated from the restricted areas of British Columbia and the administration of their property and assets was taken over by the Custodian of Enemy Property. Notwithstanding the assistance given them, they suffered hardship in this uprooting from their homes and restriction in management of their affairs. After the war ended, they were still debarred from returning to their former homes and there was no indication that the barrier would ever be lifted. It is understandable that many of them were thoroughly discouraged at that time and felt there was no future for them and their children in Canada.

The view could be taken that these repatriates have been suffering the consequences of their act for the past nine or ten years since they were repatriated. Most of them are in difficult circumstances in Japan and their Canadian-born children either remained in Canada or have returned since. It is not likely that there will be any large scale movement of this type. While we have no definite statistics, it is estimated that the total number of applications or inquiries on behalf of repatriated Japanese parents since the end of the war does not exceed fifty. There may be more which have not yet come to our attention but there cannot be any large number.

If we turn these cases down without any explanation, while at the same time we are approving other aged Asian parents, our decision will appear inconsistent and discriminatory. On the other hand, if we inform the applicants that we are turning them down because the parents were repatriates, undoubtedly there will be protests and the somewhat controversial issue of the post-war Japanese repatriation movement may be revived.

I am bringing this matter to your attention as we are reluctant to notify the applicant in these cases of refusal until the above ruling is fully clarified.¹⁶³

C.E.S. SMITH

¹⁶³ Note marginale :/Marginal note:

I have consulted Mr. Pearson, and we are agreed that we should be as liberal with Japanese as with Chinese or other Asians notwithstanding previous residence in Canada. J.W. P[ickersgill] 17-1-56

CHAPITRE VIII/CHAPTER VIII
POLITIQUE DE DÉFENSE ET POLITIQUE ÉTRANGÈRE
À L'ÈRE NUCLÉAIRE
DEFENCE AND FOREIGN POLICY IN THE NUCLEAR AGE

Note éditoriale

Note by the Editor

À l'automne de 1954, R.A. MacKay pressait L.B. Pearson de commencer à réévaluer la « politique de sécurité nationale » du Canada à la lumière des changements créés dans le domaine de la défense par le développement des armes thermonucléaires et la capacité croissante de l'Union soviétique de lancer une attaque nucléaire directe sur l'Amérique du Nord. MacKay faisait valoir que les implications politiques, économiques, sociales et militaires étaient telles qu'on ne savait plus vraiment s'il était justifié de recommander le maintien des politiques de sécurité nationale en cours. Le sous-secrétaire d'État adjoint aux Affaires extérieures recommandait qu'un comité spécial de haut niveau composé de civils et de militaires soit mis sur pied pour réévaluer la politique de défense du Canada et faire rapport sans tarder au Comité du Cabinet sur la défense.¹

Bien qu'approuvé par Pearson, l'examen proposé ne reçut aucun soutien au ministère de la Défense nationale. Pas moins de quatre lettres de Pearson à Campney sur cette question sont restées sans réponse pendant les quatre premiers mois de 1955. Foulkes et les chefs d'état-major ont finalement accepté de participer à l'examen en avril, après une intervention de Bryce en faveur du ministère des Affaires extérieures. Le 20 juillet, les sous-ministres participèrent à la première et unique réunion du comité tenue en 1955. Le comité tint une autre réunion improductive en février 1956, avant de disparaître.

Malgré cet échec, le document suivant mérite d'être rendu public. La première ébauche rédigée par George Ignatieff en mars 1955 fit l'objet d'un examen attentif de la part de Pearson, et fut commentée par les hauts fonctionnaires du service extérieur, dont Arnold Heeney, Dana Wilgress et Charles Ritchie. Cette version-ci représente l'opinion mûrement réfléchie du ministère des Affaires extérieures sur la dissuasion nucléaire et la politique canadienne de défense.

In the fall of 1954, R.A. MacKay urged L.B. Pearson to begin reevaluating Canada's "national security policy" in light of the changed defence environment created by the development of thermonuclear weapons and the Soviet Union's growing capacity to launch a direct nuclear attack against North America. "The political, economic, social and military implications are so far-reaching", he argued, "that we can no longer be sure that we would be justified in recommending continued adherence to current national security policies." The Associate Under-Secretary of State for External Affairs recommended that a special civil-military committee be set up at a senior level to reassess Canadian defence policy and report urgently to the Cabinet Defence Committee.¹

¹ Voir R.A. MacKay, Memorandum: National Security Policy, 17 novembre 1954, Documents MacKay, Volume 2, Archives nationales du Canada.

See R.A. MacKay, Memorandum: National Security Policy, November 17, 1954, MacKay Papers, Volume 2, National Archives of Canada.

Although endorsed by Pearson, the defence review garnered no support in the Department of National Defence. No fewer than four letters from Pearson to Campney on this subject went unanswered during the first four months of 1955. Foulkes and the Chiefs of Staff finally agreed to participate in the review in April when Bryce intervened in support of the Department of External Affairs. On July 20, deputy ministers gathered for the committee's first and only meeting in 1955. The committee held one more inconclusive session in February 1956, before it faded away.

Despite the failure of this exercise, the following document merits publication. A first draft, prepared by George Ignatieff in March 1955, was examined closely by Pearson, and commented on by senior members of the foreign service, including Arnold Heeney, Dana Wilgress and Charles Ritchie. The version printed here represents the considered views of the Department of External Affairs on the nuclear deterrent and Canadian defence policy.

789.

Note
Memorandum

TOP SECRET

[Ottawa], August 2, 1955

THE INTERNATIONAL SETTING OF CANADIAN AND ALLIED DEFENCE POLICY
AIMS IN THE LIGHT OF THE NUCLEAR DETERRENT

The development of nuclear weapons, jet aircraft and guided missiles has revolutionized warfare. The possession of these weapons, which have such terrible effects, and their means of delivery by both groups of major world powers, the Communist as well as the non-Communist, has produced a new strategy based upon the nuclear deterrent.

2. These revolutionary developments in weapons and strategy call for a re-thinking of our concepts of defence. The object of this departmental memorandum is to provide at least a preliminary analysis of the policy implications of these developments in the setting of the current international situation, as a contribution to the broader reassessment of Canadian national security and commitments which is to be conducted on an interdepartmental basis.

3. This analysis is divided into seven parts: the strategy of the nuclear deterrent, NATO, continental defence, limited or local wars, the cold war, disarmament and the desire for a détente. The analysis is introduced by a summarized statement of the aims of Canadian and allied defence policy in the light of the nuclear deterrent.

Aims of Canadian and Allied Defence Policy

4.(i) The main aim of Canada and its allies, as set out in the North Atlantic Treaty, is to preserve peace without sacrificing any vital interests. The chief means of doing this at the present time is by building and maintaining on a collective basis deterrent strength, particularly the capacity to retaliate instantly with nuclear weapons in the event of aggression; but in view of the Soviet nuclear capability and the devastating consequences of mutual retaliation, we cannot contemplate using the nuclear weapons except when the interests threatened are truly vital. (Paragraphs 1-12) [The strategy of the nuclear deterrent has been incorporated into NATO defence planning and preparations by the approval of M.C. 48 (Paras. 16-20)]

(ii) Considering the horrible consequences if nuclear and thermonuclear warfare were to occur, it is in the interest of all NATO governments to explore all possible means of limit-

ing wars that cannot be avoided and to this end they must be in a position to distinguish aggressions of less directness and magnitude from all-out threats. Canada's aim should therefore be to seek through consultation with the allies which possess nuclear weapons an effective political control over the putting into effect of any plans and preparations for nuclear warfare. (Paras. 13-22)

(iii) Because of the vital importance of the nuclear deterrent to NATO defence planning, the defence of the deterrent power in North America should be treated as an integral part of the problem of defending the NATO area. (Paras. 23-25)

(iv) Similarly the air defence of Canada and the United States should be treated as one problem and the adequacy of the existing Canada-United States agreement governing defence cooperation and arrangements under it require examination in this light. (Paras. 26-37)

(v) An essential part of the policy of the nuclear deterrent should be to assess in each case of threat the importance of the interests of the free world involved in order that the Western Powers should not incur the risks of all-out war unless the threat to their interests justifies it; Canada should participate in such an assessment and be consulted by the United States before nuclear weapons are used anywhere in the world in view of the inescapable consequential effects on Canada if general war occurs. (Paras. 38-43)

(vi) If, in any given case, the risks of all-out or nuclear war are not justified, and yet important interests of the free world are involved, it is essential that the Western Powers should be prepared to deal with limited wars with limited means and within limited objectives. Canada itself would be unlikely to participate in such limited or local wars unless by a decision of the United Nations which it had accepted. (Paragraphs 44-47)

(vii) The Communist threat and methods vary from area to area according to available resources and the weaknesses and contradictions which they can exploit; allied strategy should therefore employ political and economic as well as military measures to deter the indirect threats which may be posed by the Communists in an effort to outflank the nuclear deterrent. These should include the maintenance of an expanding economy. (Paragraphs 48-52)

(viii) The risk of war through miscalculation remains despite the nuclear deterrent, since the Soviet Union might believe a threat of attack existed when in fact it did not; it is essential therefore that there should be no grounds for misunderstanding of allied defensive and peaceful intentions by the Communist bloc. Every opportunity should therefore be taken to bring about a *détente* through diplomatic negotiations, an essential feature of which should be the regulation and balanced reduction of armaments and armed forces and the control and ultimate elimination of nuclear weapons. (Paragraphs 53-69)

Assumptions

It has been necessary to make certain assumptions on which the reasoning in the supporting arguments are based.

Military

1. The United States provides most of the nuclear capability on the allied side in the form of the Strategic Air Command which has nuclear and thermonuclear weapons and aircraft to carry them to Soviet targets. The United Kingdom capability in weapons and carriers is very small.

2. Although the United States capability in relation to the Soviet Union's capability is at present believed to be larger in magnitude and explosive power of stockpiles, more effective in means of delivery and superior in defence against Soviet retaliation, the Soviet

Union's capability is growing and is believed to include: (a) a high priority large-scale atomic energy programme which is expanding; (b) a substantial stockpile of fissionable materials; (c) the capacity of producing explosives in the range from the equivalent of a few kilotons up to approximately 1,000 kilotons of TNT; and (d) a constantly improving and expanding aircraft production programme including long-range jet aircraft.

3. Megaton thermonuclear weapons have already been developed on both sides of the Iron Curtain of such devastating power that their effective use might imperil the ability of even the greatest nation to recover quickly and carry on the war effectively.

4. Within a few years the Soviet Union is expected to have a sufficient number of intercontinental bombers to deliver an attack of catastrophic force against this Continent, although at the grave risk of exposing itself to a retaliatory blow of equal or greater force, unless it develops a defensive capacity beyond the degree now foreseen.

5. Within ten years, as a result of the development of intercontinental ballistic missiles, it is probable that neither side will be able reasonably to expect that by striking the first blow it could eliminate the power of the other to inflict mortal damage.

Political

6. Canada and its NATO allies will remain united in the resolve to maintain an effective regional system of collective security, in the absence of an effective universal system of collective security; and that this regional security system will include the maintenance of a nuclear deterrent capability, until an effective international armaments control system becomes feasible.

7. The United States and the United Kingdom Governments will be restrained by moral and spiritual conviction brought to bear by their public opinion from initiating a nuclear or any other kind of war, except in retaliation against an act of overt armed aggression; nevertheless, they will remain resolute to retaliate against all-out Soviet attack.

8. The United States will be prepared to use the threat of nuclear retaliation of less than total force to deter local or limited Communist military aggression and to use smaller nuclear weapons in local and limited wars if necessary.

9. The Soviet Union has every reason to avoid embarking on general war in the near future, both because it can have no prospect of escaping nuclear retaliation and because war is not essential to the pursuit of its basic aims. The most dangerous possibilities are (a) that the use of force in a local and limited conflict might lead to general war by accident or miscalculation, and (b) that the Soviets may miscalculate U.S. intentions by believing that the Soviet Union is about to be attacked. In the latter event, the Soviet Union might consider it vital to its interests to attack in an effort to forestall U.S. action. The fact that, under conditions of mounting international tension, it is more difficult to distinguish between real and apparent threats to vital national interests and security, suggests that the U.S.S.R. (as well as the Western Powers) have an interest in reducing international tensions, at least to the point where they are able to calculate more accurately the possibility or likelihood of all-out attack.

10. Even if it is assumed that the Soviet Union co-operates in the reduction of international tensions, there is as yet no evidence on which to base any expectation that they, or the other countries of the Communist bloc, will abandon in any essential way the pursuit of their political aims by subversive means.

THE SUPPORTING ARGUMENTS

The Strategy of the Nuclear Deterrent in Relation to the Aims of Allied Defence Policy

The United States and the Soviet Union now confront one another with the prospect of mutual devastation by thermonuclear and nuclear weapons. It is this prospect, and not the mere existence of weapons of such destructive power, which is one of the most important deterrents of war. With the capability of the Soviet Union to retaliate in kind growing both in terms of weapons and the means of delivering them, this deterrent works both ways; it is now a case of mutual deterrence.

2. It is also true that at present the United States enjoys superiority in numbers and types of weapons as well as in the means of delivering them, and even though the Soviet Union has built up deterrents of its own, it cannot be sure that if it were to make a surprise atomic attack upon the United States or any of its allies, it could prevent an immediate nuclear retaliation on a far larger scale. This, mainly in the form of the Strategic Air Command of the United States Air Force, is the deterrent power on the allied side.

3. Because of the scale of devastation that may be expected from thermonuclear or nuclear attacks, it is almost certain that a general war would be fought only against an actual or apparent threat to a nation's vital interests or those of its allies. As a corollary, it is probable that any nation would hesitate to start a war, even when further political or non-warlike action is not open to it for the pursuit of its aims, unless it apprehended a direct threat to its own security.

4. Thus if the strategy of the nuclear deterrent works, it is because it strikes fear and uncertainty in the calculations of a potential aggressor about the possible outcome and consequences of his aggression. Because of this fear, it provides a kind of psychological fence to reinforce other deterrents against the use of general war as an instrument of policy. The strategy of the nuclear deterrent, as its name implies, is a strategy for preventing a general war, not for fighting one. If the deterrent fails to prevent general war, the ensuing damage from nuclear and thermonuclear weapons is bound to be catastrophic.

5. While the prospect of devastation from thermonuclear or nuclear war may act in this way as a deterrent of general war, it may fail to act as a deterrent against the threat of other kinds of hostile action if the consequences apprehended do not include thermonuclear or nuclear devastation. On the other hand, the threat of the use of nuclear retaliation, where vital allied interests are not affected, runs the risk of precipitating war, since such a threat might be interpreted as an actual or an apparent threat to a country's vital interests. The use of such threats by one of the members of NATO, therefore, is a matter of lively concern to the other allies.

6. The United States, which possesses the principal nuclear retaliatory power on the side of the Western Powers, has so far reserved the right to determine by the authority of its President when and in what circumstances it may use or threaten to use its power of nuclear retaliation. This is of particular concern to Canada because of her special geographical location in relation both to the United States and the USSR.

7. The emphasis in considering the possible use of atomic weapons by the West is upon retaliation, for the Western Powers will not deliberately start a major war, which by its very nature cannot serve the aims proclaimed in the North Atlantic Treaty "to live in peace with all peoples and governments and to safeguard the freedom, common heritage and civilization of their peoples". But the allies have made it clear that they are maintaining preparations for instant nuclear retaliation against the event of Soviet all-out attack.

8. The fact that the United States has been prepared to use the threat of nuclear retaliation to deter the threat of Communist attacks, other than the threat of an outright attack against the security of the United States and its allies, has posed difficult questions affecting the relationship of the United States with its allies generally and with Canada in particular.

9. Mr. Dulles' speech on massive retaliation in January of last year is a case in point. The Secretary of State for External Affairs, in commenting on this speech in the House of Commons on March 25, did not question the proposition that the capacity to retaliate with nuclear weapons could be a valuable deterrent against aggression, but he sought clarification at the same time on the applicability of this strategy to various forms of Communist threat and on the manner in which decisions would be made, i.e., with or without prior consultation with the allies.

10. The danger of this doctrine was that it appeared to assume that the other side either could not or would not retaliate with nuclear weapons, an assumption which is invalid, at least in so far as the capability of the Soviet Union is concerned. Thus, in trying to restrain any form of military action on the Communist side by the threat of all-out attack, such threats of "massive" nuclear attack run the risk that if the Soviet Union intervenes, hostilities which begin as a local or limited war might turn into a thermonuclear one. There is also the danger that this type of threat risks becoming a boomerang as Soviet nuclear capability grows. For it cannot be overlooked that the Soviet Union (and Communist China) may likewise exploit the threat of nuclear retaliation in weakening the will of the Western Powers to risk war in the protection of their essential interests.

11. Considerations such as these have evidently been taken into account in Washington, for "massive" retaliation has given place to "measured" retaliation. The idea now seems to be that instead of threatening the use of the full force of nuclear destructive power to deter local Communist military threats where vital allied interests are not involved, the United States threatens the use of nuclear weapons of a limited destructive nuclear power and only in a tactical role against military targets. This change is based not only on considerations of policy, but also on the fact that the United States has developed a variety of nuclear weapons ranging from a destructive power of the equivalent of 500 tons of TNT, upwards to the equivalent of a million tons and more.

12. The possibility that this concept of "measured retaliation" might be applied in Asia was brought out by Mr. Dulles in reporting on the military arrangements of the Manila Treaty on March 8. He said that the allies now possess plenty of power in this treaty area and that this power includes sea and air forces equipped with "new and powerful weapons of precision which can utterly destroy military targets without endangering unrelated civilian centres". The President, in backing Mr. Dulles up, gave the impression that these smaller nuclear weapons could be used like conventional weapons. "On strictly military targets and for strictly military purposes, I see no reason why they shouldn't be used just exactly as you would use a bullet or anything else", he said.

13. The question of whether a valid military distinction can be drawn between large and small nuclear weapons can probably be answered only by competent experts on the basis of full technical data. So far, the United States has not made available to its allies the necessary data and it is, therefore, difficult to offer a firm opinion on the validity of the distinction which the U.S. authorities have sought to draw. But whatever may be the difficulty of defining the military problem in the absence of the necessary facts, it can be assumed that our main aim is to seek an effective political control over the putting into effect of any plans or preparations for nuclear warfare.

14. As will be stated in greater detail in the succeeding section on NATO, this principle of consultation has already been initially established in the NATO context. Ways and means now are being worked out to make that principle effective both in the Atlantic Council, if circumstances permit such formal consultation, or on a more immediate basis through tripartite "alert" procedures agreed in advance between London, Washington and Ottawa.

15. The problem of reducing the possibility of unilateral action by the United States in relation to a local or limited war is much more complicated and will be discussed further under the succeeding section entitled "Limited or Local Wars". However, once satisfactory procedures of consultation are worked out in the NATO context, it should be possible to argue in Washington that since even the "measured" or "limited" use of nuclear weapons in local wars runs the risk of leading to world conflict, it would be highly desirable that there should be consultation with those allies which are likely to bear some at least of the consequences, before any use of nuclear weapons is authorized by the United States anywhere in the world. In trying to find a solution to this important problem of consultation, the critical question arises: how far is the United States really prepared to go or can be persuaded to go in taking its allies into its confidence in its military-political planning? The progress already made in recent years, provides the basis for hope that further advances in understanding on matters of such mutual concern to the security of both countries is possible.

NATO

16. At its Ministerial meeting in December 1954, the North Atlantic Council approved a report of the Military Committee on the most effective pattern of NATO military strength (Document M.C. 48(Final) of November 22, 1954) over the next few years, which in effect incorporated the strategy of the nuclear deterrent in future NATO defence planning and preparation. The relevant conclusion in this report was as follows: "It is militarily essential that NATO forces should be able to use atomic and thermonuclear weapons in their defence and that the NATO military authorities should be authorized to plan and make preparations on the assumption that atomic and thermonuclear weapons will be used in defence from the outset."

17. The approval of the Council was for purposes of planning and preparations only, and reserved to governments the right of decision with respect to putting such plans and preparations into action. The relevant Council resolution read as follows: "The Council approves the report M.C. 48 as a basis for defence planning and preparations by the NATO military authorities, noting that this approval does not involve delegation of the responsibility of governments for putting plans into action in the event of hostilities."

18. In approving this resolution on behalf of the United States (which of course provides most of the nuclear capability on the allied side), Mr. Dulles explained what he understood to be the effect of this approval on the right of decision of governments. An examination of Mr. Dulles' remarks reveals that there are two particular ways in which, in his view, governments have retained the freedom of power and exercise of their political responsibilities:

- (a) responsibility for deciding on belligerent action, and
- (b) responsibility for evaluating the nature of the threat posed (i.e., determining whether it is a threat that should be dealt with by a "limited" or by an "all-out" defence).

General Gruenther, also, in the course of the discussion of the Military Committee's report, made an explanatory comment which is not out of line with Mr. Dulles' understanding. General Gruenther's comment was summarized in the record as follows: "It is unquestion-

ably a political decision to decide whether or not there is an act of war, and there is no thought in our headquarters (SHAPE) that there should be a military decision — and certainly not one that our headquarters should make. But, it having been decided that there was an act of war and that it was an *all-out act of war*, and not simply a *local war*, he felt it was not feasible to go to this or that strategy.”

19. The Council's approval of M.C. 48, which raises the stakes involved in the East-West conflict, would seem to have two main political implications for the NATO alliance. One is to impose a restriction on the freedom of Soviet action, and thus to strengthen the position of the West by issuing a clear warning that, if an armed attack does occur involving the commitments of member governments under Articles V and VI of the North Atlantic Treaty, the probability is that the ensuing war will be a nuclear war. Judging from the reactions of Soviet propaganda on the theme that NATO is preparing an atomic war, this implication has not been lost on the Soviet leaders. Indeed the risks, military and political, that nuclear warfare would involve for the Soviet Government may well exclude direct aggression in Europe as a likely measure of Soviet policy, particularly since in most cases war is probably not essential to the pursuit of basic Communist aims.

20. This in turn increases the probability that the Soviet Union will use other methods of pursuing their aims which will not provoke nuclear retaliation — well-known Communist methods of diplomatic manoeuvre and political warfare designed to weaken the unity and effectiveness of the Western Coalition. Against such methods reliance on nuclear weapons will not be of much avail, and it becomes all the more necessary to take other measures in NATO, particularly non-military measures such as various forms of political and economic cooperation under Article II, which will strengthen the unity and morale of the coalition.

21. The other political implication is to restrict our own freedom of action, or rather to place a devastating price on any miscalculation. It becomes of prime importance to Canada and the rest of the NATO countries to be able to judge quickly and accurately, in the event the deterrent is not effective, whether a given hostile action is such as to merit all-out defence, involving nuclear retaliation, or just limited defence, involving measures short of nuclear retaliation. This question is, of course, vital to Canada in particular, not only because we are a member of NATO but also because, in the event of a Soviet nuclear attack, Canada would probably be the scene of the air battle.

22. Under these circumstances the exercise of effective control by governments over all stages of “alerts procedures” is particularly important. The ability of governments to make an evaluation of the facts which give rise to apprehension of the imminence of war obviously depends on having access to intelligence reports on indications of enemy mobilization measures. This consideration would be relevant if the outbreak of war were preceded by a period of increasing international tension. In the event of a sudden all-out attack the problem of evaluating the facts would not, of course, arise; they would presumably be self-evident and would call for immediate action for survival.

23. There is also an important military implication. The nuclear deterrent has for a long time been implicit in the NATO strategic concept, but with the approval of M.C. 48 it has now been explicitly adopted as an integral part of NATO defence planning and preparations. Consequently it becomes all the more important that there should be effective co-ordination of defence planning in NATO as between North America and the rest of the NATO area and that the organization of the defence of the nuclear deterrent in North America should be related to NATO defence planning as a whole. This may mean some re-organization of the Canada-United States Regional Planning Group, although it must be

recognized that U.S. sensitivity will make it necessary to retain actual control of planning for continental defence in North American hands.

24. In practice the only real co-ordination and balancing of priorities as between the defence of Europe and the defence of North America that is now being carried out is being done on a purely national basis, as for instance in Washington. As far as we can judge, present United States policy in this respect is to continue to develop their nuclear deterrent power, to maintain substantially their present forces in Europe, to scale down where possible commitments in other parts of the world (e.g. in Korea) and to build up in North America a strategic mobile reserve and continental air defences against the Soviet nuclear threat. The NATO sector of this policy was defined in a declaration by the United States President, in which he confirmed that, when the Paris Agreements came into force, it would be United States policy "to continue to maintain in Europe, including Germany, such units of its armed forces as may be necessary and appropriate to contribute its fair share of the forces needed for the joint defence of the North Atlantic area while a threat to that area exists, and to continue to deploy such forces in accordance with agreed North Atlantic strategy for the defence of this area".

25. Related to this question of co-ordination of defence planning is the question of measures to strengthen the unity of the coalition, to which reference was made earlier. If our allies are to appreciate the importance of North American defence as part of the defence of the NATO area, it is surely necessary that it should be a subject of multilateral concern and not exclusively of bilateral consultation. Moreover, the maintenance of Canadian and United States forces in Europe should be recognized as a question of concern to NATO as a whole and not merely of individual national concern. The presence of these forces in Europe has an important political effect, as a token of trans-Atlantic solidarity, in addition to its military effect, and any substantial withdrawal might seriously affect the unity of the alliance. Any withdrawals which might become necessary for the purpose of North American defence, therefore, must not only be in the interest of NATO as a whole but must be seen by our allies as such. This factor is likely to be of particular importance if, as may be expected, the Communist side puts increasing emphasis on measures short of military aggression to weaken the West and especially to isolate North America from its European allies.

Continental Defence

26. The prevention of war, except in the defence of vital interests, is the main aim of Canadian national policy as it is of our allies. A strategy designed to achieve this objective therefore is of prime importance to Canadian national interests. Canada's geographical location, between the USA and USSR and athwart the trans-polar routes, puts Canada in a position to contribute to the nuclear deterrent power of the allies in two ways: by the provision of facilities on or over Canadian territory and through continental defence. For it must be assumed that in any future war, the Soviet Government would realize that their primary aim of defeating the Western Coalition could best be served by placing the emphasis on directing nuclear air strikes on North America in order to destroy SAC bases and the centres of war-making capacity, the weight of which, if left untouched, would be brought to bear against the Soviet Union with disastrous effect. Air nuclear attack against North America would probably be the most important element of Soviet strategy since the neglect of this element more than any other would clearly be disastrous to the Soviet Union.

27. Continental defence thus involves the protection of the population and other resources of North America, upon which the ability of Canada and the United States — and indeed of the Western Coalition — to sustain a war in the long run depends. It also

includes in its broadest sense the defence of the nuclear retaliatory power of the United States, which is one of the principle NATO as well as North American defence objectives. Both require a common defence structure including the early warning system, interception, the dispersal of targets, and civil defence. Accordingly, for the purposes of planning and preparing these defences, it has been assumed that the air defences of Canada and the United States must be considered as one problem, and this has been agreed to at the Chiefs of Staff level. Planning may very well soon call for a substantial increase in the number of fighter squadrons based in Canada, particularly if the principle is accepted that efforts should be made to fight any air battles as far north of the settled areas of Canada as possible.

28. Coupled with the defence of North America and the defence of the nuclear deterrent power, so far as Canada is concerned, is the provision of facilities which may be sought by the United States on Canadian territory for the effective development of the deterrent power, that is, SAC operating bases. It may be expected that an increasingly significant proportion of the installations which are likely to be constructed in Canada in the next five to ten years will be for the Strategic Air Command and that an increasing number of United States personnel will be sent to Canada to man them.

29. In determining the share which Canada should bear in these defence activities, it is clear at least that Canada cannot assume exclusive responsibility for that portion which is operated directly by or for the Strategic Air Command. On the other hand, unless Canada assumes its share of responsibility for continental defence activities, which are more likely to involve combat operations over Canada than are SAC operations, there is a risk of losing effective control of these activities on Canadian territory. This risk would be particularly dangerous in view of the importance for Canadians of keeping any air battles which may be fought over Canadian territory as far north of the populated areas of Canada as possible. United States planners are not likely to feel the imperative of this consideration as acutely as Canadians, as an air battle fought over Canada's populated areas would be far enough north not to be a serious threat to U.S. targets. Present air defence plans do not adequately take account of this consideration; Canada's interceptor squadrons now operate mainly near settled areas, as evidenced by the presence of Air Defence Command at St. Hubert.

30. To judge the extent of Canadian participation which is necessary or desirable, it is necessary to strike a balance between the demands on Canadian resources of Western European defence and North American defence. Both are vulnerable to Soviet nuclear retaliation, but both come under the umbrella of United States nuclear deterrent power. This balance depends upon political and military considerations. The military considerations involve an assessment of the comparative degree of threat against North America and Western Europe; but since it must be assumed that one of the aims of the Soviet Union is to isolate North America from its Western European partners and thus disrupt NATO, the military threat cannot be divorced from the important political consideration of maintaining the unity of the Alliance which is itself an important element of the deterrent. It is presumably because of considerations such as these that the present United States policy envisages the maintenance of United States forces substantially at present levels in Europe, while building up the deterrent and means of defending it in North America.

31. Moreover, the degree of control exercised over continental defence by Canada depends not only on the extent of its participation in these activities, but also upon the form of the air defence command structure. The current concept of a coordinated rather than an integrated air defence system for North America stems from the joint declaration of 1947 on the principles of defence cooperation between the two countries, and in particu-

lar on the statement that "as an underlying principle all cooperative arrangements will be without impairment of the control of either country over all activities in its own territory".

32. The adequacy of these existing arrangements as a framework for continental air defence is open to serious question. In the first place, the policy of imposing a "command boundary" along the border between the two countries may have been politically justifiable thus far, but may not be for much longer. It is militarily unsound and makes necessary the disposition of forces on the basis of national rather than military factors; it invites the USAF air defence commanders to treat the populated parts of Canada as the scene of the air battle, rather than as an integral part of the region to be defended. This situation will become increasingly serious with the advent in the near future of air-to-air and ground-to-air missiles armed with atomic warheads, which would do fearful damage if intercepted and exploded over populated areas.

33. Secondly, enough information is now available about United States plans for air defence installations to be established in Canada between now and 1960 to make it clear that the numbers of air defence personnel in the populated part of Canada will be greatly increased, including sections of the country where the Canadian air defence organization is at present, to all intents and purposes, non-existent.

34. Thirdly, the deficiencies in the existing command arrangements, organization, and plans for the deployment of forces and weapons will have an adverse effect on air operations primarily over Canada, rather than the United States. The system is probably sufficiently effective for the protection of the United States alone that, because of a reluctance to appear to be forcing Canada into an integrated organization and because of internal inter-service differences, the United States authorities are not likely to take the initiative in trying to change it. In other words, if Canada considers that the situation is developing in a manner detrimental to its interests, then the Canadian Government should take the lead in pressing for a change.

35. The implications of the situation now developing are of the greatest importance to Canada and require urgent study. Consideration should be given to the possible necessity of negotiating a new comprehensive bilateral agreement between the two countries to provide for the establishment of an integrated North American Air Defence Command, and the possible relationship of such a command to the North Atlantic Treaty Organization.

36. Quite apart from the planning and preparation for the contingencies of general war, including defences against the possibility of nuclear attack on North America, the strategy of the deterrent has important political and military implications in a period of international tension characteristic of the cold war. Even in anticipation of the possible imminence of general war, the United States may wish to carry out certain precautionary deployments of their strategic aircraft and weapons and to alert continental air defence. This may involve requests for permission for aircraft to overfly Canadian territory to the bases used by the Strategic Air Command in order to be prepared for instant action, and requests to make precautionary alerts of the continental air defence system. If war were to seem imminent, the United States Government could be expected to approach the Canadian Government with the request for permission not only to deploy the Strategic Air Command, but also to carry out air strikes from bases in Canadian territory and to mobilize fully the continental air defence system.

37. Thus the interdependence of Canada and the United States in Air Defence and the inter-related continental defence arrangements which stem from this, make any United States policy which may lead to general war a matter of special concern to Canada, whether or not that policy involves a Canadian commitment.

Limited or Local Wars

38. Proceeding further with the examination of the main assumptions of this paper that under the conditions of mutual nuclear deterrence, the aim of Canada and its allies should be to avoid war except in defence of vital interests, it is particularly important to consider the problem of preventing local and limited wars becoming global and nuclear ones. Against minor aggressions by the Soviet Union, Communist China or another Communist proxy, the free world would be faced with the choice of: (a) prompt and united collective action on the Korean model using conventional methods of warfare only; (b) reaction led initially by the U.S. involving the probable use of nuclear weapons at least locally and tactically; and (c) inaction to minimize the risk of hostilities spreading.

39. There is evidence that the United States is prepared to use nuclear weapons in local and limited wars, both to deter local Communist military aggression and as an alternative to committing United States ground forces to shore up the various weak spots of strategic importance in the defences of the free world. The position taken by the United States Government in regard to the fulfilment of its commitments under the South-East Asia Collective Defence Treaty presents an important current illustration of this strategy.

40. Mr. Dulles, in his speech on the results of the Bangkok meeting of the Manila Treaty Powers on March 8, included a warning that the nuclear retaliatory power of the United States may be used to deter Communist China from further military encroachments in Asia. He said: "For military defence we shall rely largely upon mobile allied power which can strike an aggressor wherever the case may demand. That capacity will, we believe, deter aggression. We shall not need to build up large static forces at all points and the United States contribution will be primarily in terms of sea and air power." Then he went on to say: "The Allied nations possess together plenty of power in the area. The United States in particular has sea and air forces now equipped with new and powerful weapons of precision, which can utterly destroy military targets without endangering unrelated civilian centers."

41. Mr. Dulles' warning to Communist China implied not only the threat of the use of nuclear weapons as a deterrent; it also implied the risk of spreading the war. On this aspect of the deterrent, Mr. Dulles said: "I pointed out at Bangkok that, for military purposes, the Chinese Communist front should be regarded as an entirety because if the Chinese Communists engage in open armed aggression, this would probably mean that they have decided on general war in Asia. They would then have to take into account the mutual defence treaties of the United States with the Republic of Korea and the Republic of China and the forces maintained under them. Thus, general war would confront the Chinese Communists with tasks at the south, centre and north; tasks which would strain their inadequate means of transportation."

42. This kind of warning is undoubtedly calculated to make the undertaking of a local or limited attack by the Communists a risky business. But it also carries a risk for the side that issues such a warning, in the event the deterrent fails to work. For even with the threat of "measured retaliation", there is the danger of a local or limited war becoming general and total. For while a distinction can be drawn between the tactical and strategic uses of nuclear weapons at the commencement of hostilities, there are justifiable doubts as to whether this distinction would be maintained once the dictates of military necessity came into play. Military commanders are likely to use the amount of force necessary to accomplish their objective, and once they are permitted to use nuclear weapons of a lower range of power it would be difficult to know exactly where to draw the line in the upper ranges, especially if their use was thought to make the difference between victory or defeat. Any-

way, this "measured retaliation" has not yet been put to the test, except as a threat. The threat, however, because of Soviet nuclear retaliatory power, at least opens up possibilities among which Soviet intervention, if it judged its vital interests threatened, cannot be excluded.

43. Considering the prospects of nuclear devastation which the Allies would risk to a larger or lesser degree should this kind of deterrent fail, and the war spread to global and nuclear proportions, it would be highly desirable that consultation between the United States and Canada should precede the use of nuclear weapons anywhere in the world. If hostilities cannot be avoided, every effort should be made to fight limited wars with limited means and limited objectives on the Korean model. This involves not only the choice of weapons and the choice of objectives, but also giving the other side adequate opportunities to understand the intentions of the governments which have undertaken to resist aggression, and an adequate opportunity for negotiations on reasonable terms to bring hostilities to an end.

44. The choice of weapons has an important bearing on whether hostilities, if they cannot be avoided, can at least be limited; the choice of weapons also may be a determining factor in deciding whether the resistance is effective or not. It may be just impracticable, for instance, to atomize the "free Thais" or the "Pathet Lao", even if there may be some Communist Chinese behind them. This is, of course, realized by some observers in the United States. For instance, William Kaufmann of Princeton University, in his book *The Requirements of Deterrence* says: "It is probably hopeless to expect that a single deterrent will cover the entire range of contingencies and still satisfy the criteria of credibility. The attempt to devise such a deterrent is likely to result in either a sparrow hunt with a cannon or an elephant shoot with a popgun." This points to the desirability of maintaining conventional armed forces and conventional weapons as a supplementary means of deterrence, as well as for the purpose of fighting local or limited wars if hostilities cannot be avoided. At the same time, it must be recognized that, at least as far as the United States is concerned, the day is not far off when it will be difficult, if not impossible, to fight a limited war with conventional weapons. United States defence policy is now predicated on the use of small atomic weapons and before long, whenever U.S. forces go into action, they are likely to use nuclear weapons. The possibilities need to be explored of extending the principle of consultation, being developed initially in the NATO context, to other areas, so that nuclear weapons should not be used without some accord with the other countries likely to be affected by the consequences of U.S. action.

45. The possibilities of unilateral action by the United States involving the use of nuclear retaliatory power in limited and local wars may be reduced by the development of the collective approach to defence or local security: A sharing of responsibility for security may be organized through the United Nations, through regional defence organizations, or through the Commonwealth. The Commonwealth, as a special political association with world-wide links of loyalty and tradition rather than common security interests, does not offer a suitable framework for the organization of regional defence. Where Britain, however, has assumed responsibility for resistance to Communist encroachments in a colonial territory which is adjacent to another Commonwealth member whose national security interests are directly involved, special arrangements for defence cooperation may follow as in Anzani.

46. However, responsibilities for building up local defensive strength must obviously devolve primarily on the governments and peoples of each region; organizations which may be built upon the initiative of outsiders will lack firm foundations. For the foundations of any defence structure must be the recognition of mutual security interests, the determi-

nation to join together in self-defence and an adequate measure of political stability. To the extent that these factors have been lacking, for a variety of reasons, in the areas of South-East Asia and the Middle East, progress towards regional organizations, despite the existence of a Communist threat, has been slow. However, the South-East Asian Defence Pact and the new Turkish-Iraqi Treaty, which the United Kingdom and the United States are expected to join, may provide the framework for the build-up of regional defence to counter the Communist threat in South-East Asia and the Middle East respectively. The contributions of countries from outside the region threatened most of necessity be limited, for if the military resources of the free world are scattered all over the place, they risk being too thinly scattered and ineffectively applied in any given place. The mobile sea and air forces of the United States, and to a lesser extent those of the United Kingdom, are notable exceptions.

47. With considerations such as these in mind, it is in Canada's interest to see that effective regional defence organizations are built up, but not necessarily with Canada's direct participation. Canada's own security interests lie primarily in North America and the North Atlantic Treaty area, where its commitments are already heavy. Canada's interests would not be involved directly in the holding of any particular area around the Soviet periphery in the Far East or the Middle East, except in so far as Canada may share with other members of the free world the general interest of resisting Communist expansion. But even though Canada may not be directly involved in such peripheral and local wars, she cannot escape certain consequences if the United States were involved, especially because of the interdependence of the two countries in air defence. Such local and limited wars are, therefore, of concern to Canada. Canada, naturally, has an interest in upholding the universal principle of resistance to the use of force and the other objectives of the United Nations. It is reasonable to deduce, therefore, that Canada would not participate in local or limited wars, unless by a decision of the United Nations which it had accepted.

The Cold War

48. It is a truism to say that the Communist threat by no means poses a straight military problem. A characteristic of Communist strategy has been its opportunism. The Communists have employed a variety of ways of extending their control, adapting their methods according to the resources, psychological as well as material, available to them in any particular area. In places where political instability and economic discontent provide opportunities for seizing the control of governments by subversion, political rather than military methods have been employed. Assuming that current efforts to improve East-West relations do not bring about a change in the basic Communist aims of extending their control over the rest of the world, the cold war may be expected to go on.

49. Communist strategy in the cold war has already had a large measure of success. The Soviet orbit has been growing apace, (particularly by the inclusion of China) without general war and without the Soviet Union being itself openly involved in hostilities. The free world as a result of gradual Communist peripheral advances may be confronted with the peril of about eight hundred million Communists now within the Soviet orbit consolidating the Eurasian land mass into one economic and politico-military power system. It cannot be assumed that this bloc is solid yet. Indeed it is to be hoped that Russian and Chinese policies and interests may diverge, and it is obviously in the interests of Canada and its allies to encourage any such fissile tendencies. The consolidation of this bloc under monolithic control would represent a concentration of power — political, military and economic — that would obviously affect the world balance of power.

50. On the other hand, if the Western powers enjoy a comparatively strong bargaining power vis-à-vis the Communist bloc, it is in large part due to the buoyancy and expansion of their economies. Since the margin of advantage would disappear if there were a severe economic dislocation, large-scale unemployment, social discontent or any marked decline in living standards, the maintenance of an expanding economy should have a high priority in the planning of national security policy, whatever may be the outcome of current East-West negotiations. In short, the way of life offered by the free world must be shown to be superior to that offered by the totalitarians, as well as defensible. It must be shown to be superior not only by example and performance but also by measures of political cooperation and economic assistance to the nations of Asia and Africa which are striving to have their share of the benefits of material civilization.

51. Canada has already assumed responsibilities in terms of increased diplomatic effort and economic assistance in cooperating in measures against Communist indirect aggression. Considering the heavy burdens already borne by Canada in the defence of the free world through its responsibilities for continental defence and in NATO, it could be argued that Canada should not be expected to increase its contribution in this field. And yet, if under the condition of "mutual deterrence" the use of military force becomes increasingly risky and if the cold war is continued, the Communist threat increasingly may assume the form of covert activities to gain Communist control of territory by subversion, economic competition to win over converts, and diplomacy to split up the opposition in the free world.

52. This may justify a further reconsideration of the proportion of Canadian resources which should be devoted to such non-military efforts in the cold war as increased diplomatic representation in threatened areas, increased contributions to United Nations activities in the non-military sphere as well as to Commonwealth cooperative enterprises such as the Colombo Plan, particularly if as a result of a détente between East and West some reductions in defence expenditures are found possible.

A New Look at Disarmament

53. The recent Stassen appointment in Washington probably reflects a deepening realization, not only among officials but increasingly among the public, that the present positions of the Western Powers on disarmament represent an inadequate response to the new weapons and the challenge of the risk of mutual annihilation, particularly when the Inter-Continental Ballistic Missile, against which there is no defence, may have been perfected. Even now, before the advent of push-button warfare, many of the premises on which our present disarmament proposals are based, have been overtaken by events and have become obsolete.

54. Among the array of uncomfortable facts that must now be taken into account are the following:

- (a) the prospect of the possibility of reciprocal nuclear destruction;
- (b) nuclear armaments have been integrated with the conventional armaments of the United States (and possibly Soviet) forces;
- (c) the United States' atomic monopoly (on which the United Nations Majority Plan was premised) has long since ceased to exist and the stockpiles of thermonuclear weapons in both the United States and the USSR are now so large that it would be technically impossible to back check on past production under the most favourable conditions of complete inspection within more than 90% accuracy at best;

(d) the advent of the hydrogen bomb makes an undisclosed and virtually undiscoverable atomic molehill into a thermonuclear mountain in terms of destructive power;

(e) some authorities now believe that it may be possible to dispense with the uranium-plutonium detonator of an "H-bomb" — and, as the lighter elements are relatively plentiful and require less elaborate processing, the control problem may be made still more difficult;

(f) a certain amount of mutual trust is a prerequisite of disarmament — and it does not exist;

(g) not only its concept of national sovereignty but the very foundations of the Soviet State would be so deeply undermined by the acceptance of the type of international control organization proposed by the Western Powers that it is hardly conceivable their leaders would ever agree to it.

55. Without attempting to provide answers to questions that are perhaps unanswerable, it may be useful to attempt to clear some of the ground in preparation for any serious "new look" at disarmament that may be undertaken, either in conjunction with Mr. Stassen's re-examination of the problem, or separately.

56. Disarmament negotiations during the past nine years have invariably come to a standstill on the question of control. If, as some experts say, there is no way of ensuring the complete elimination of existing stockpiles of nuclear weapons by any method of control, a way around the control problem may be sought in three directions:

(a) in place of a comprehensive disarmament programme embracing all aspects of the question, certain fields might be isolated. As a short-cut of this type, the USSR has been harping for years on a series of propaganda themes isolating the atomic side of the problem ("ban the bomb", "ban the use of the bomb", and now "destroy atomic stockpiles");

(b) on our side, for logical strategic reasons the inverse of this proposition might be suggested; that an attempt be made to control conventional armed forces and armaments, and in particular all means of delivering atomic weapons, while accepting the continuation of nuclear and thermonuclear stockpiles on both sides at or near the point of saturation;

(c) both sides have also proposed, in connection with large programmes, a freeze of armed forces and armaments as a first step on the road towards disarmament.

57. Of these three propositions, only the third may be feasible. The first has been repeatedly rejected by the Western Powers for the same strategic reasons as the second is not likely to interest the Soviet Union. The atomic and conventional sides of the problem are now inseparable. A freeze might have real attractions for the USSR, particularly if, as they have proposed in London, it were subject to more or less nominal control. But unless such a scheme were implemented as part of a comprehensive programme, it could lull Western public opinion into a quite unreal sense of security that could be more dangerous than the present stalemate.

58. While it might be desirable to examine possible short-cuts from a technical standpoint, it might be more fruitful to consider what reduction might be acceptable in the safeguards to be applied to the whole field of disarmament. If control is the barrier, and we cannot get around it by reducing the categories to be controlled, we might examine once again whether we must insist on such stringent control measures as in the past. For we can now bring to the re-examination the realization that since we do not have, and cannot hope to have, absolute security, or anything approaching it, we are compelled to consider whether relatively greater security might be attainable through disarmament. Could we, in short, have less control rather than less to control? And could adjustments be made in the timetable for the establishment and gradual build-up of the control organization in such a way as to provide a better balance of risks and safeguards on both sides at each stage?

59. The main argument in support of such an approach arises from the control problem itself. To control conventional weapons or to control atomic weapons would require such wide powers, at least of inspection, that interference in national affairs and the opportunities for uncovering state secrets in uncontrolled fields would be approximately as great as if the whole range of armaments and armed forces were subject to control. The inspectors would still have to have power to go wherever they chose in order to discover activities in violation of the agreement. For this reason the control might as well be comprehensive in its coverages of war-making potential. The only room left for manoeuvre would, therefore, appear to be as regards the timing of control and the rights, functions and powers of the control organ itself.

60. Yet for years the Western Powers have maintained that no dilution of safeguards could be acceptable. This position has tended to harden, at least in the United States, with the new complications presented by Soviet stockpiling and by thermonuclear weapons which, in logic, must require more effective, rather than less effective, forms of international control. But a new approach might begin by examining what specific safeguards are necessary to ensure that nations would have adequate warning against a surprise attack, which is the greatest risk in the presence of nuclear weapons so long as there is no system for the international control of armaments.

61. From this tentative assessment of the problem, it may be that we are thrown back in our conclusions upon reliance on mutual deterrence as the only realistic policy. The capacity — present or future — of each side to destroy the other is unquestionably of the greatest importance in preventing war. If it makes war too horrible to contemplate, the deterrent may even lead to disarmament, or at least to serious negotiations. But the risks and limitations of relying on mutual deterrence have already been examined in this paper; at best it can only be a policy *faute de mieux*.

62. If our policy may be described as “deterrence if necessary but disarmament if possible”, the search for a new approach to disarmament might embrace not only an effort to rethink the control problem but some consideration of the following factors which may be listed on the more hopeful side of the ledger:

(a) the problems posed by the new weapons are unprecedented; we must, therefore, not discard, on the basis of past performance alone, solutions which seem to be required by the facts; for example, we should not abandon altogether our attempts to negotiate a control system because any real control appears contrary to the Soviet system — their leaders face an unprecedented situation too;

(b) we have at present reached an approximate balance of military forces and this balance is likely to be maintained at least until the saturation point is reached when each side would have the capacity to deal the other a mortal blow at any time and no surprise attack would succeed in warding off retaliation in kind;

(c) there are some who believe that when the saturation point is reached, thermonuclear weapons will, in all probability, never be used, at least against centres of mass population, even in the event of a major war; this expectation is not officially shared in NATO and could not be entertained without greatly weakening the value of the deterrent; this does not mean, however, that some tacit self-denying ordinance of this kind is out of the question, now or in the future;

(d) although a completely effective back checking of past nuclear production is no longer possible, and we must assume that *any* control system would fail to discover significant quantities of fissile material and weapons, it should be possible to control the means of delivery; as part of a comprehensive system of disarmament, forces on both sides would be

so far reduced as to minimize the temptation to make use of hidden stocks for a surprise attack; moreover, each side would suspect that the other would have retained secretly at least some capacity to retaliate in kind, so that the deterrent would continue to operate, with far less international tension to induce an explosion;

(e) looking at the record of disarmament negotiations since 1946 as impartially as possible, there seems to have been some progress, at least in words, and probably in substance. The gap, though still immense, has been narrowed, no doubt because neither side could afford to ignore the strength of public opinion on this issue.

63. Looking to the probable resumption of talks on disarmament in the United Nations, it would help to regain some momentum if other powers were to join the United States in trying to work out a genuine new approach to disarmament in the light of the new assumptions of the nuclear age. Among possible directions which such a re-examination might explore are:

(a) lowering our safeguards as part of a comprehensive disarmament programme, since "security" these days is a highly relative term, with or without disarmament, with the emphasis on the need for warning of a surprise attack and preparations for aggression;

(b) the possibility of banning further test explosions of thermonuclear weapons;

(c) the possibility of relating disarmament to the other main roots of international tension, such as the rearming of Germany and Japan, on the principle that it would be unnecessary to proceed very far along this road if, by means of a disarmament agreement, some reduction in the levels of forces of all major countries could actually be achieved.

Desire for a Détente

64. From the arguments in the foregoing sections, it may be deduced, that so long as the Western Alliance remains united and maintains its nuclear and other military capabilities, the risks involved in starting a war and the probable devastating consequences should a nuclear war develop, would probably discourage the Soviet Union, or any other power, undertaking war as a deliberate act of policy.

65. The circumstances in which the Soviet Union would be the most likely to decide to go to war, would be if it became convinced beyond a reasonable possibility of doubt that the Western Powers intended to attack it. It might then decide to strike first as a forestalling or preventative measure.

66. The risk of war through such miscalculation, therefore, remains despite the nuclear deterrent, because the Soviet Union might believe that a threat existed, when in fact it did not. For this reason it is essential that allied peaceful and defensive intentions should not only be apparent at all times, but should be communicated to the Soviet Union and its ally, Communist China, in such a way as there should be no possible grounds for misunderstanding allied intentions.

67. It is in these circumstances, therefore, that efforts to reach a détente, or a cessation of strained relations between the Communist and non-Communist groups of powers, assume such importance in allied policy. The establishment of normal diplomatic negotiations for the settlement of outstanding issues and the cessation of political and economic warfare is an essential means of avoiding the kind of misunderstanding which could conceivably lead to war despite the nuclear deterrent.

68. Consideration might, therefore, be given to the establishment of some form of continuing Four Power diplomatic machinery arising out of the Geneva talks, so that regular diplomatic contact between Foreign Ministers to deal primarily with security problems between the Big Powers should not again be broken off.

69. If a détente could in turn lead to agreement on a comprehensive system of disarmament, including the prohibition of nuclear weapons, which would leave no powers more armaments and armed forces than are necessary for strictly defensive purposes, and if such disarmament arrangements could be supervised and enforced by a system of international control which would give all nations the assurance of adequate warning of any aggressive intent and preparations, the foundations would have then been laid for the preservation of peace on a more lasting basis than that of the fear of mutual nuclear devastation, if all-out war begins.

INDEX

A

ACCORD GÉNÉRAL SUR LES TARIFS DOUANIERS ET LE COMMERCE (GATT) : voir aussi Commonwealth (réunion des premiers ministres : sujets examinés; relations avec les différents pays : Royaume-Uni), États-Unis (questions économiques : Comité ministériel mixte Canada—États-Unis sur le commerce et les affaires économiques, excédents agricoles américains, restrictions américaines sur les importations, Voie maritime du Saint-Laurent), Europe de l'Ouest (OECE : convertibilité, restrictions quantitatives; intégration de l'Europe de l'Ouest), ONU (FMI : convertibilité des devises), OTAN (coopération économique et non militaire), Union soviétique (accord commercial), et exportation, importation, marchandises

4^e cycle de négociations multilatérales sur les tarifs, 228-230

9^e séance des Parties contractantes et révision de l'accord, 184-225; évaluation du GATT révisée, 221-225;

exemption (article XI du GATT) pour les produits agricoles revendiquée par les États-Unis, 184-221; approbation par le GATT, 220; débat du GATT sur ce sujet, 215-217; négociations tarifaires avec le Japon, 185; réunion des ministres canadiens et américains sur ce sujet, 195-201

positions des pays suivants : Allemagne (République fédérale), 201-202, 210; Australie, 201; Belgique, 201-202, 210; Brésil, 216; Canada, 184-185, 187-197, 204-212, 214-216, 218-221; États-Unis, 184, 189-190, 197-200, 202-203, 213, 215; France, 216-217; Royaume-Uni, 186-187, 202, 216, 219

principales marchandises d'exportation canadiennes visées : amandes, 192; avoine, 189, 191, 193; blé (farine), 191, 193; bleuets, 193; bovins, 193; cacahuètes (huile de cacahuète), 192; coton, 192; fromage, 193; graines de lin, 192; huile de lin, 192; noisettes, 192; oeufs, 193; orge (malt), 189, 191, 193; pommes, 193; pommes de terre, 193; produits laitiers, 192; sirop d'érable, 193; seigle, 189, 191, 193

10^e séance des Parties contractantes, 225-227

instructions au sujet des négociations : avec les États-Unis, 233-234, avec le Japon, 231-233; négociations avec les États-Unis, 237-238 (cuir de dessus, fourrure de renards, graines de soya, jambon en boîte, méthanol, oeufs, pantoufles, papiers peints, tétrachlorure de carbone), 234-236, (bâtonnets de poisson) 239-242; négociations avec les États-Unis et le Japon, 231-243; négociations avec le Japon (billes, graines de lin, peaux, platine), 236-237; rapport sommaire sur le sujet, 241-243

ACCORD INTERNATIONAL DU BLÉ (AIB) : voir États-Unis (questions économiques : excédents agricoles américains) et blé, CCB, marchandises

ADVISORY COMMITTEE ON NORTHERN DEVELOPMENT : voir États-Unis (relations en matière de défense et de sécurité : Frobisher Bay)

ADVISORY COMMITTEE ON WATER USES POLICY : voir États-Unis (CMI : pollution transfrontalière)

AÉRONEFS : voir Commonwealth (Plan Colombo—Inde), États-Unis (relations en matière de défense et de sécurité : défense aérienne continentale, consultations stratégiques : sujets examinés), Moyen-Orient (exportation d'armes : Égypte), OTAN (examen annuel et aide mutuelle : aide mutuelle) voir aussi armes, Avro Arrow, défense aérienne continentale, désarmement, missiles

AFGHANISTAN : voir Commonwealth (Plan Colombo : Comité consultatif du Commonwealth—instructions)

AFRIQUE : voir Afrique du Nord, Afrique du Sud, Algérie, Égypte, Libye, Maroc, Togo, Tunisie

AFRIQUE DU NORD : voir OTAN (politique de défense : contributions des forces nationales—transfert des forces françaises) et voir aussi Algérie, autodétermination, décolonisation, France, Libye, Maroc, Moyen-Orient, Tunisie

AFRIQUE DU SUD : voir conflit coréen (retrait des forces canadiennes), ONU (Assemblée générale : évaluation, instructions) et Commonwealth

AGRICULTURE : voir États-Unis (questions économiques : Comité ministériel mixte Canada—États-Unis sur le commerce et les affaires économiques, excédents agricoles américains, restrictions américaines sur le commerce—marchandises), GATT (9^e session des Parties contractantes : exemption), voir aussi AIB, blé, CCB, marchandises

AIB : voir Accord international du blé

ALBANIE : voir ONU (Assemblée générale : membres—admission)

ALERTE : voir Chine (République : Formose—défense aérienne continentale), OTAN (procédures d'alerte)

ALGÉRIE : voir ONU (Assemblée générale : Algérie, évaluation, membres : admission), OTAN (politique de défense : contributions des forces nationales) et aussi Afrique du Nord, décolonisation, France, Libye, Maroc, Moyen-Orient, Tunisie

ALLEMAGNE (RÉPUBLIQUE DÉMOCRATIQUE; DE L'EST) : voir États-Unis (relations politiques : visite du secrétaire d'État américain), ONU (Assemblée générale : membres—admission), OTAN (consultation politique : conférence des ministres des Affaires étrangères—réunification de l'Allemagne), Pacte de Varsovie et voir aussi Allemagne (République fédérale), bloc communiste, détente, Europe de l'Est, guerre froide

ALLEMAGNE (RÉPUBLIQUE FÉDÉRALE; DE L'OUEST) : voir États-Unis (questions économiques : excédents agricoles américains - aide économique américaine; relations politiques : visite du secrétaire d'État américain), Europe de l'Ouest (OECE : convertibilité, restrictions quantitatives), GATT (9^e séance des Parties contractantes : exemption), ONU (Assemblée générale : membres—admission; FMI), OTAN (examen annuel et aide mutuelle : aide mutuelle—aéronefs; consultation politique : conférence des ministres des Affaires étrangères : positions—réunification de l'Allemagne, conférence des chefs de gouvernement, réunion ministérielle - mai, juillet, déc.; état des forces en Allemagne), Union soviétique (tendances de la politique étrangère) et voir aussi Allemagne (République démocratique)

AMÉRIQUE DU SUD : voir ONU (Assemblée générale : évaluation) et Argentine, Brésil, Colombie

AMÉRIQUE LATINE : voir Amérique du Sud

ANTILLES : voir Antilles britanniques

ANTILLES BRITANNIQUES, 656-659

ARCTIQUE (SOUVERAINETÉ) : voir États-Unis (relations politiques), Union soviétique (visite du secrétaire d'État aux Affaires extérieures : sujets examinés)

ARGENTINE : voir États-Unis (questions économiques : excédents agricoles américains—pays exportateurs de blé) et Amérique du Sud

ARMÉE CANADIENNE : voir OTAN (examen annuel et aide mutuelle : examen annuel)

ARMES : voir Indochine (intervention de la CISC au Vietnam), Moyen-Orient (exportation d'armes) et aussi aéronefs, armes atomiques, armes nucléaires, Avro Arrow, bombe H, désarmement, missiles, missiles BOMARC, missiles NIKE, missiles SPARROW II, missiles TALOS, ONU (Assemblée générale : désarmement)

ARMES ATOMIQUES (NUCLÉAIRES) : voir Chine (République : Formose), États-Unis (relations politiques : consultations stratégiques), ONU (Assemblée générale : désarmement—armes nucléaires), OTAN (politique de défense : politique sur les armes nucléaires), politique étrangère et en matière de défense à l'ère nucléaire, visite du secrétaire d'État américain) et aéronefs, armes, armes nucléaires, bombe H, énergie atomique, rayonnements atomiques

ARMES NUCLÉAIRES (ATOMIQUES) : voir Chine (République : Formose), États-Unis (relations en matière de défense et de sécurité : défense aérienne continentale, consultations stratégiques; relations politiques : visite du secrétaire d'État américain), ONU (Assemblée générale : désarmement), OTAN (politique de défense : politique sur les armes nucléaires), politique étrangère et en matière de défense à l'ère nucléaire et voir aussi armes, armes atomiques, bombe H, désarmement

ARROW : voir Avro Arrow

ASIE DU SUD-EST : voir Commonwealth (Plan Colombo : Comité consultatif du Commonwealth), OTASE

ASSEMBLÉE GÉNÉRALE DE L'ONU : voir ONU

ASSISTANCE TECHNIQUE : voir Commonwealth (Plan Colombo : Comité consultatif du Commonwealth—instructions, rapport)

AUSTRALIE : voir Chine (République populaire), Chine (République : Formose), Commonwealth (réunion des premiers ministres), conflit coréen (retrait des forces canadiennes), GATT (9^e séance des Parties contractantes : exemption), Japon (criminels de guerre), ONU (Assemblée générale : rayonnements atomiques—résolution (ébauche), membres : admission; FMI), OTASE et Commonwealth, Extrême-Orient, Nouvelle-Zélande

AUTODÉTERMINATION : voir conférence de Bandung, ONU (Assemblée générale : Algérie) et Conseil de tutelle, décolonisation

AUTRICHE : voir Europe de l'Ouest (Traité de l'État autrichien, OECE : restrictions quantitatives), ONU (Assemblée générale : membres—admission), OTAN (consultation politique : réunion ministérielle—mai), Union soviétique (tendances de la politique étrangère)

AVIATION ROYALE DU CANADA (ARC) : voir OTAN (examen annuel et aide mutuelle : examen annuel)

AVRO ARROW (CF-105) : voir États-Unis (relations en matière de défense et de sécurité : défense aérienne continentale, consultations stratégiques—sujets examinés)

B

BALANCE DES PAIEMENTS : voir convertibilité, devise, dollar, ONU (FMI), UEP, zone sterling

BANQUE INTERNATIONALE POUR LA RECONSTRUCTION ET LE DÉVELOPPEMENT (BIRD) : voir OTAN (coopération économique et non militaire)

BARBADE : voir Antilles britanniques

BELGIQUE : voir Chine (République populaire : reconnaissance), Europe de l'Ouest (OECE : restrictions quantitatives, GATT (9^e séance des Parties contractantes : exemption), Moyen-Orient (exportation d'armes : consultations), ONU (FMI), OTAN (coopération économique et non militaire; consultation politique : conférence des ministres des Affaires étrangères, réunion ministérielle—mai, juillet, décembre); intégration de l'Europe de l'Ouest) et Benelux

BENELUX : voir Europe de l'Ouest (OECE : convertibilité) et Belgique, Pays-Bas

BIRD : voir Banque internationale pour la reconstruction et le développement

BIRMANIE : voir Commonwealth (Plan Colombo : Comité consultatif du Commonwealth—aide aux pays non membres du Commonwealth)

BLÉ : voir GATT (9^e séance des Parties contractantes : exemption), États-Unis (questions économiques : excédents agricoles américains), Pologne (vente de blé canadien), Union soviétique (accord commercial) et voir aussi AIB, CCB, marchandises

BLOC COMMUNISTE : voir Allemagne (République démocratique), Bulganin, Bulgarie, Corée (République populaire), détente, Hongrie, Indochine (intervention de la CISC au Laos : Pathet Lao), Khrouchtchev, Pacte de Varsovie, Pologne, Roumanie, Tchécoslovaquie, Union soviétique, Vietnam (République démocratique), Yougoslavie

BLOC SOVIÉTIQUE : voir bloc communiste

BOMBE H (BOMBE À HYDROGÈNE) : voir Chine (République : Formose - armes atomiques), Commonwealth (réunion des premiers ministres : sujets examinés), ONU (Assemblée générale : rayonnements atomiques), Union soviétique (tendances de la politique étrangère, visite du secrétaire d'État aux Affaires extérieures : questions examinées) et voir aussi armes, armes atomiques, armes nucléaires, désarmement, détente, énergie atomique

BRÉSIL : voir GATT (9^e séance des Parties contractantes : exemption) et Amérique du Sud
BULGANIN, MARSHAL N.A. (PREMIER MINISTRE DE L'UNION SOVIÉTIQUE) : voir ONU (Assemblée générale : désarmement), OTAN (consultation politique : conférence des ministres des Affaires étrangères, conférence des chefs d'État) et bloc communiste, désarmement, Europe de l'Est, Union soviétique

BULGARIE : voir ONU (Assemblée générale : membres—admission) et bloc communiste, Europe de l'Est, Pacte de Varsovie

BUREAU INTERARMES DE RENSEIGNEMENTS (BIR) : voir Moyen-Orient (exportation d'armes : Égypte, Israël)

C

CAMBODGE : voir Commonwealth (Plan Colombo : Comité consultatif du Commonwealth—aide aux pays non membres du Commonwealth; relations avec les différents pays : Inde—visite de Krishna Menon), conférence de Bandoung, Indochine (intervention de la CISC au Cambodge), ONU (Assemblée générale : membres—admission) et Extrême-Orient, Laos, Vietnam

CANAL DE SUEZ : voir Israël, Moyen-Orient (relations israélo-arabes : affaire Bat Galim) et Égypte

CCB : voir Commission canadienne du blé

CCC : voir Commodity Credit Corporation (États-Unis)

CCEA : voir Comité consultatif de l'énergie atomique

CCEA : voir Commission de contrôle de l'énergie atomique

CDA : voir Combined Development Agency

CENTRAL INTELLIGENCE AGENCY (CIA) (ÉTATS-UNIS) : voir Indochine (intervention de la CISC au Cambodge) et États-Unis

CEYLAN : voir conférence de Bandoung, Commonwealth (Plan Colombo), ONU (Assemblée générale : membres—admission)

CF-105 : voir Avro Arrow

CHINE (RÉPUBLIQUE; NATIONALISTE) : voir Commonwealth (réunion des premiers ministres : sujets examinés; relations avec les

différents pays : Inde—visite de Krishna Menon), conférence de Bandoung (positions, sujets examinés), États-Unis (relations en matière de défense et de sécurité : consultations stratégiques—sujets examinés; relations politiques : visite du secrétaire d'État américain), ONU (Assemblée générale : représentation de la Chine, membres : admission; FMI), Union soviétique (tendances de la politique étrangère, visite du secrétaire d'État aux Affaires extérieures : sujets examinés) *et* Chine (République populaire), Extrême-Orient

Formose et îles côtières : accord de cessez-le-feu : considérations, 1509, 1526, 1535, 1565, 1568; armes atomiques : armes nucléaires tactiques, 1554-1562; Commonwealth : consultations, 1517-1518 (6 fév.), 1537-1538 (15-16 fév.); Conseil de sécurité : propositions de la Nouvelle-Zélande, 1521(n), 1545-1546; Conseil de sécurité et Chine (République populaire), 1537, 1546; crise, 1508-1571; défense aérienne continentale : alerte, 1532-1533; détente : émergence, 1567, 1570; détroit de Formose : ébauche de déclaration au sujet du projet de création d'une commission internationale tripartite, 1539-1540; détroit de Formose : projets de création d'une commission internationale tripartite chargée de surveiller la neutralisation, 1513-1514, 1537-1539, 1542-1545; libération des aviateurs américains, 1567, 1569-1571; OTASE, 1541(n); positions des pays suivants : Australie, 1545, 1560, 1563; Canada, 1516-1519, 1525-1526, 1529-1532, 1542-1545, 1552, 1555-1556; Chine (République populaire), 1508, 1537; États-Unis, 1508-1511, 1520-1523, 1528-1529, 1532, 1547-1562; Inde, 1517, 1522, 1534-1536, 1540-1541, 1567-1571; Royaume-Uni, 1514-1519, 1523, 1536, 1554-1556; Union soviétique, 1523, 1529, 1553, 1561; relation avec la conférence de Bandoung, 1565-1566; relation avec les conflits en Indochine, 1510; relation avec le conflit coréen, 1510, 1553, 1559; relation avec l'OTAN, 1527, 1533, 1552, 1555, 1557, 1559; rôle de Formose et Pescadores, 1515, 1520, 1528, 1539; rôle des îles côtières (îles Matsu, Quemoy, Tachen), 1508, 1515, 1517-1518, 1522-1526, 1528, 1534-1535, 1539, 1541, 1553, 1560, 1563-1564, 1571; utilisation possible des armes atomiques, 1522, 1530, 1549-1551;

CHINE (RÉPUBLIQUE POPULAIRE; COMMUNISTE) : voir Chine (République : Formose), Commonwealth (réunion des premiers ministres : sujets examinés; relations avec les différents pays : Inde—visite de Krishna Menon), États-Unis (relations en matière de défense et de sécurité : consultations stratégiques—sujets examinés; relations politiques : visite du secrétaire d'État américain), Indochine (intervention de la CISC au Cambodge : conférence de Bandoung, Laos : conférence de Bandoung), ONU (Assemblée générale : évaluation, rayonnements atomiques), Pacte de Varsovie *et* aussi Mongolie extérieure, Moyen-Orient

reconnaissance, 1571-1588; action concertée avec l'Australie et la Nouvelle-Zélande, 1574-1575; concept de l'OTAN : non-application à l'Extrême-Orient, 1583; détente, 1573; ONU : admission, 1576; positions des pays suivants : Australie, 1575; Belgique, 1575-1576; Canada, 1572-1575, 1578-1588; États-Unis, 1571-1572, 1581-1588; France, 1574; Inde, 1577; relation avec la crise de Formose, 1573, 1577; relation entre l'Indochine et la situation en Chine, 1573; relation avec le conflit coréen, 1573, 1576-1577

CHYPRE : voir ONU (Assemblée générale : instructions) *et* décolonisation, Grèce, Turquie

CIA : voir Central Intelligence Agency

CISC : voir Commissions internationales de surveillance et de contrôle au Cambodge, au Laos *et* au Vietnam

CMI : voir Commission mixte internationale

COLOMBIE : voir États-Unis (questions économiques : excédents agricoles américains—aide économique américaine) *et* Amérique du Sud

COLOMBIE-BRITANNIQUE : voir États-Unis (CMI : bassin du fleuve Columbia)

COMBINED DEVELOPMENT AGENCY (CDA) : voir États-Unis (questions économiques : énergie atomique—Accord, approvisionnement en uranium)

COMITÉ CONSULTATIF DE L'ÉNERGIE ATOMIQUE (CEEA) : voir États-Unis (relations en matière de défense et de sécurité : énergie atomique; questions économiques : énergie atomique—Accord)

COMITÉ DE COORDINATION DES ARMES DU PROCHE-ORIENT (FRANCE, ROYAUME-UNI, ÉTATS-UNIS) : voir Moyen-Orient (exportation d'armes : consultations)

- COMITÉ MIXTE DU RENSEIGNEMENT (CMR; CANADA/ROYAUME-UNI) : voir OTAN (procédures d'alerte : Accord tripartite sur les alertes)
- COMMANDANT SUPRÊME DES FORCES ALLIÉES EN EUROPE (SACEUR) : voir OTAN (examen annuel et aide mutuelle : examen annuel; politique de défense : contribution à la défense nationale), ONU (Assemblée générale : Algérie)
- COMMISSION CANADIENNE DU BLÉ (CCB) : voir États-Unis (questions économiques : excédents agricoles) et marchandises, AIB, blé
- COMMISSION DE CONTRÔLE DE L'ÉNERGIE ATOMIQUE (CCEA), 85; voir aussi Commonwealth (Plan Colombo : réacteur NRX pour l'Inde), États-Unis (questions économiques : énergie atomique—Accord) et énergie atomique, rayonnements atomiques, armes atomiques, bombe H, armes nucléaires, 85
- COMMISSION DE SURVEILLANCE DES NATIONS NEUTRES (CSNN) : voir conflit coréen (retrait des forces canadiennes)
- COMMISSION DU DÉSARMEMENT : voir ONU (Assemblée générale : désarmement)
- COMMISSION MIXTE INTERNATIONALE (CMI) : voir États-Unis (questions économiques : Voie maritime du Saint-Laurent; CMI)
- COMMISSION PERMANENTE MIXTE DE DÉFENSE (CPMD) : voir États-Unis (relations en matière de défense et de sécurité : défense aérienne continentale, réseau DEW, station de sondage expérimentale, installations de communications américaines)
- COMMISSIONS INTERNATIONALES DE SURVEILLANCE ET DE CONTRÔLE AU CAMBODGE, AU LAOS ET AU VIETNAM (CISC; CANADA, INDE, POLOGNE) : voir Indochine, États-Unis (relations en matière de défense et de sécurité : consultations stratégiques; relations politiques : visite du secrétaire d'État américain)
- COMMONWEALTH, 507-659; voir Chine (République), Chine (République populaire), conflit coréen (retrait des forces canadiennes), ONU (Assemblée générale : représentation de la Chine, membres : admission—consultation), OTAN (procédures d'alerte : Accord tripartite sur les alertes) voir également Afrique du Sud, Australie, Ceylan, Inde, Nouvelle-Zélande, Pakistan, Royaume-Uni
Plan Colombo, 539-639
Ceylan : programme d'aide, 568-571
Comité consultatif du Commonwealth pour l'Asie du Sud-Est : réunion de Singapour (17-21 oct.), 545-567
aide aux pays non membres du Commonwealth : Birmanie, 546, 550-552; Cambodge, 546-547, 552-554; Indonésie, 546-548, 554-555; Laos, 546, 555-557; Malaisie, 546, 557-559; Thaïlande, 546; Vietnam (République), 546, 559-560
- instructions à l'intention de la délégation canadienne, 545-550; admission des nouveaux membres : Afghanistan, 547-548; France, 548;
- rapport de la délégation canadienne, 550-567; conférence de Bandoung, 563; évaluation, 561-564, 1174; positions des pays suivants : Canada, 561, 565-566; États-Unis, 564; Inde, 563-564; Pakistan, 563-564; Royaume-Uni, 561-562; Singapour, 562;
- contribution du Canada, 539-544
Inde, 571-629; programme d'aide, 571-577
Pakistan, 629-639, 1174;
- réacteur NRX pour l'Inde, 573, 577-629, 651; CCEA : rôle, 582; acceptation par l'Inde de l'offre canadienne officielle, 609, 627; aspects financiers, 580-581, 584-585, 588, 594-595, 597, 602, 604, 607-608, 611, 628; avantages commerciaux, 578-579, 583, 590, 595, 625; conférence de Bandoung : énergie atomique, 586-587; demande par l'Inde d'un réacteur NRU plutôt que NRX, 600-604; EACL : rôle, 582-584, 603-607, 609, 611-613, 616, 621; ébauche de proposition, 593-594; formation du personnel indien, 582, 584-585, 588-590, 596; offre canadienne officielle, 598-599, 610, 617, 627; Plan Colombo, 579, 584, 588, 590-592, 594-596, 598-599, 604, 611, 627; production de plutonium, 605-608, 611, 615, 619, 628; production d'uranium, 583, 623, 625; questions de sécurité, 578-579, 582, 587, 603, 612, 622, 626-627; réaction de l'Union soviétique, 592, 599-600, 615, 625; répercussions sur le contrôle international de l'énergie atomique, 578, 605-606, 608, 612-624, 626-629; USAEC, 612-613, 616, 626;
- relations avec les différents pays, 646-659
Inde : Chine (République/République populaire), 647; Indochine, 648-648; Laos, 649; sujets examinés : Cambodge, 649; visite de Krishna Menon (juin), 646-649; visite du secrétaire d'État aux Affaires extérieures en

- Inde (24 oct.-6 nov.) : discussion sur l'Indochine, 650-651
- Royaume-Uni : subventions à l'exportation du charbon, 651-656; GATT, 652, 655
- réunion des premiers ministres (31 janv.-8 fév.), 507-538; communiqué, 516, 524; positions des pays suivants : Australie, 534, 537; Canada, 513, 521, 523, 529, 532-533, 535-537; États-Unis, 510, 515, 517; Inde, 509, 512, 514-515, 517, 519, 526-531, 533-535; Pakistan, 512-513, 527, 530, 533-534; Royaume-Uni, 509-510, 517-518, 520-524, 530-532, 534; Union soviétique, 517; rapport sommaire, 525-538
- sujets examinés : bombe H, 510-511, 530-531, 536-538; Chine (République/République populaire), 508-509, 512-526, 528-529; Extrême-Orient, 516-524, 526-528, 534, 537; GATT, 508, 512, 532; Indochine, 526, 528, 534-536; Moyen-Orient, 519-520, 530, 536; OTAN, 519, 529, 536; UEO, 519, 529; questions constitutionnelles, 527; questions économiques et financières, 512, 532-533
- statut du Pakistan au sein du Commonwealth, 533, 640-645; positions des pays suivants : Canada, 641-642, 645; Inde, 642; Royaume-Uni, 643-644
- CONFÉRENCE DE MESSINE (1^{ER}-2 JUIN) : voir Europe de l'Ouest (intégration de l'Europe de l'Ouest)
- CONFÉRENCE DES CHEFS DE GOUVERNEMENT DE GENÈVE (18-23 JUILLET) : voir OTAN (consultation politique)
- CONFÉRENCE DES MINISTRES DES AFFAIRES ÉTRANGÈRES DE GENÈVE (27 OCT. 16 NOV.) : voir OTAN (consultation politique), Union soviétique (visite du secrétaire d'État aux Affaires extérieures : sujets examinés)
- CONFÉRENCE DES PUISSANCES DE L'OTASE À BANGKOK (23-25 FÉV.) : voir Chine (République : Formose—OTASE) et OTASE
- CONFÉRENCE DU MOUVEMENT DES PAYS NON ALIGNÉS DE BANDOUNG (18-24 AVRIL), 17, 1615-1625; voir Chine (République : Formose), Commonwealth (Plan Colombo : Comité consultatif du Commonwealth—rapport; Plan Colombo : réacteur NRX pour l'Inde), Indochine (intervention de la CISC au Cambodge, au Laos), ONU (Assemblée générale : évaluation, membres - admission) et décolonisation; OTASE, 1616, 1620-1621; Plan Colombo, 1615-1618; positions des pays suivants : Cambodge, 1624; Canada, 1624; Ceylan, 1623-1624; Chine (République populaire), 1621-1622; Égypte, 1623; Inde, 1615, 1617, 1622-1623; Indonésie, 1623-1624; Laos, 1624; Turquie, 1623; Vietnam (République démocratique), 1624; sujets examinés : Chine (République populaire/République), 1616; coopération culturelle, droits de la personne et autodétermination, colonialisme, 1618-1619; coopération économique, 1618; désarmement, 1620; Indochine, 1615; problème palestinien, 1619; adhésion à l'ONU : problème d'admission, 1619-1620; paix mondiale et coopération, 1619-1620
- CONFÉRENCE SUR LE PHOQUE À FOURRURE DU PACIFIQUE NORD : voir États-Unis, questions économiques : chasse pélagique du phoque
- CONFLIT CORÉEN, 1589-1613; voir aussi Chine (République populaire), Chine (République : Formose), Indochine (intervention du CISC au Vietnam), ONU (Assemblée générale : évaluation, instructions) et Extrême-Orient
- retrait des forces canadiennes, 1589-1613; consultations du Commonwealth, 1591-1592, 1595-1599; CSNN : rôle, 1589-1591; force du Commonwealth, 1608-1609, 1612; note du Commonwealth au États-Unis, 1611-1612; OTAN : rôle des engagements, 1612; positions des pays suivants : Afrique du Sud, 1590; Australie, 1592, 1594, 1609; Canada, 1594-1596, 1598-1603, 1605-1607, 1612-1613; États-Unis, 1592, 1600-1601, 1604-1605; Nouvelle-Zélande, 1592, 1610; Royaume-Uni, 1592-1597, 1609-1610; rôle du Commonwealth, 1604, 1608-1611; OTASE : rôle, 1592
- CONSEIL DE RECHERCHES POUR LA DÉFENSE (CRD), 85
- CONSEIL DE TUTELLE : voir ONU (Assemblée générale : élections) et aussi Algérie, autodétermination, Chypre, décolonisation, Maroc, Nouvelle-Guinée occidentale, Tunisie
- CONSEIL ÉCONOMIQUE ET SOCIAL (ECOSOC) DE L'ONU: voir ONU (Assemblée générale : élections)
- CONVERTIBILITÉ DES DEVICES : voir ONU (FMI), États-Unis (questions économiques : Comité ministériel mixte Canada - États-Unis sur le commerce et les affaires économiques), Europe de l'Ouest (OECE) et devise, dollar, zone sterling
- CORÉE (RÉPUBLIQUE DÉMOCRATIQUE POPULAIRE; DU NORD) : voir États-Unis (relations en matière de défense et de sécurité : consultations stratégiques—sujets examinés; relations politiques : visite du secrétaire d'État

américain) et *voir* bloc communiste, Corée (République), Extrême-Orient

CORÉE (RÉPUBLIQUE—RDC; DU SUD) : *voir* ONU (Assemblée générale : membres—admission), États-Unis (relations en matière de défense et de sécurité : consultations stratégiques—sujets examinés; relations politiques : visite du secrétaire d'État américain) et *voir aussi* conflit coréen, Corée (République démocratique), Extrême-Orient

CORPORATION COMMERCIALE CANADIENNE : *voir* Moyen-Orient (exportation d'armes : Israël)

CRD : *voir* Conseil de recherches pour la défense

CRIMES/CRIMINELS DE GUERRE : *voir* Japon

D

DANEMARK : *voir* Europe de l'Ouest (OECE : convertibilité, restrictions quantitatives), ONU (Assemblée générale : rayonnements atomiques—(ébauche de) résolution), OTAN (état des forces en Allemagne : présidence du Canada), et Scandinavie

DÉCOLONISATION : *voir* ONU (Assemblée générale : évaluation, instructions, membres : admission) et *aussi* Algérie, autodétermination, Chypre, conférence de Bandoung, Conseil de tutelle, Maroc, Nouvelle-Guinée occidentale, territoires non autonomes, Tunisie

DÉFENSE AÉRIENNE : *voir* défense aérienne continentale

DÉFENSE AÉRIENNE CONTINENTALE : *voir* Chine (République : Formose), politique étrangère et en matière de défense à l'ère nucléaire, États-Unis (relations en matière de défense et de sécurité : défense aérienne continentale, consultations stratégiques)

DÉSARMEMENT : *voir* conférence de Bandoung, conférence des chefs de gouvernement, conférence ministérielle—mai, juillet), États-Unis (relations en matière de défense et de sécurité : défense aérienne continentale, consultations stratégiques - sujets examinés), Genève, OTAN (consultation politique : conférence des ministres des Affaires étrangères, ONU (Assemblée générale), Pacte de Varsovie (sujets examinés), politique étrangère et en matière de défense à l'ère nucléaire, Union soviétique (visite du secrétaire d'État aux Affaires extérieures) : sujets examinés) et *voir aussi* aéronaves, armes, armes atomiques, armes nucléaires, Bulganin, Eden, Eisenhower, Faure, missiles, Moyen-Orient (exportation d'armes : consultations), Union soviétique (tendances de la politique étrangère : Allemagne)

DÉTENTE (« ESPRIT DE GENÈVE ») : *voir* Chine (République populaire), Chine (République : Formose), États-Unis (relations en matière de défense et de sécurité : défense aérienne continentale; consultations stratégiques—sujets examinés), Indochine (intervention de la CISC au Vietnam), ONU (Assemblée générale : évaluation), OTAN (consultation politique : conférence des ministres des Affaires étrangères, réunion ministérielle—juillet, déc.), politique étrangère et en matière de défense à l'ère nucléaire, Union soviétique (tendances de la politique étrangère, visite du secrétaire d'État aux Affaires extérieures) et *aussi* bloc communiste, Europe de l'Est, guerre froide, OTAN, Pacte de Varsovie

DÉTROIT D'HÉCATE : *voir* États-Unis (eaux territoriales)

DEVISE : *voir* ONU (FMI), Europe de l'Ouest (OECE : convertibilité, restrictions quantitatives) et convertibilité, dollar, UEP, zone sterling

DEW : *voir* Réseau d'alerte avancé

DOLLAR : *voir* Europe de l'Ouest (OECE : restrictions quantitatives) et *aussi* convertibilité, devise, ONU (FMI), zone sterling

DOUANES : *voir* États-Unis (questions économiques : Comité ministériel mixte Canada—États-Unis sur le commerce et les affaires économiques, Voie maritime du Saint-Laurent), Europe de l'Ouest (OECE : intégration de l'Europe de l'Ouest)

DROITS DE LA PERSONNE (QUESTIONS S'Y RAPPORTANT) : *voir* conférence de Bandoung, ONU (Assemblée générale : évaluation, instructions)

DULLES, JOHN F. (SECRÉTAIRE D'ÉTAT AMÉRICAIN) : *voir* Moyen-Orient (relations israélo-arabes) et États-Unis

E

EACL : *voir* Énergie atomique du Canada Ltée

EDEN, SIR ANTHONY (SECRÉTAIRE DES AFFAIRES ÉTRANGÈRES DE GRANDE-BRETAGNE) : *voir* Indochine (intervention de la CISC au Vietnam—élections), OTAN (consultation politique : conférence des ministres des Affaires étrangères, conférence des chefs d'État, réunion ministérielle : juillet—plan Eden) et désarmement, Royaume-Uni

ÉGYPTE : *voir* conférence de Bandoung, Moyen-Orient (relations israélo-arabes, exportation d'armes) et *voir aussi* Pacte de Baghdad, Israël, réfugiés palestiniens, canal de Suez;

visite du ministre des Affaires étrangères à Ottawa (28-30 juin), 1234-1236; compte rendu de la conversation avec le premier

ministre, le colonel Gamal Abdel Nasser (10 nov.), 1239-1241; exportation d'armes, 1238; immigration, 1238; Pacte de Baghdad, 1234; réfugiés palestiniens, 1235; relations avec l'Égypte, 1236-1237; sujets examinés : énergie atomique, 1236; visite du secrétaire d'État aux Affaires extérieures au Caire (10-22 nov.), 1174, 1236-1241

EISENHOWER, DWIGHT D. (PRÉSIDENT DES ÉTATS-UNIS) : voir OTAN (conférence des ministres des Affaires étrangères, conférence des chefs d'État : désarmement), ONU (Assemblée générale : désarmement—propositions) et voir désarmement, États-Unis

ÉNERGIE ATOMIQUE : voir Commonwealth (Plan Colombo : réacteur NRX pour l'Inde), Égypte (visite du ministre des Affaires étrangères), États-Unis (relations en matière de défense et de sécurité : énergie atomique; questions économiques : énergie atomique; CMI : bassin du fleuve Columbia : mise en valeur des ressources hydro-électriques), Europe de l'Ouest (intégration de l'Europe de l'Ouest), ONU (Assemblée générale : évaluation, désarmement, instructions), et armes atomiques, armes nucléaires, bombe H, CCEA, CDA, EAEL, ONU (Assemblée générale : rayonnements atomiques), plutonium, rayonnements atomiques, réacteurs NRU/NRX, uranium, USAEC

ÉNERGIE ATOMIQUE DU CANADA LTÉE (EAEL) : voir Commonwealth (Plan Colombo : réacteur NRX pour l'Inde), États-Unis (questions économiques : énergie atomique—Accord) et énergie atomique, rayonnements atomiques

ENTRÉE DIXON : voir États-Unis (eaux territoriales)

ESPAGNE : voir OTAN (consultation politique : réunion ministérielle—déc.), ONU (Assemblée générale : membres - admission) et Europe de l'Ouest

« ESPRIT DE GENÈVE » : voir Détente

ESQUIMAUX : voir Inuit

ÉTATS-UNIS, 660-1065; voir Chine (République populaire : reconnaissance), Chine (République : Formose), Commonwealth (Plan Colombo : Comité consultatif du Commonwealth - rapport; réunion des premiers ministres), conflit coréen (retrait des forces canadiennes), Europe de l'Ouest (OECE : convertibilité, restrictions quantitatives), GATT (9^e séance des Parties contractantes : exemption pour les produits agricoles : principales marchandises d'exportation canadiennes—positions; négociations avec les

États-Unis et le Japon), Indochine (intervention de la CISC au Cambodge, au Laos, au Vietnam), Japon (criminels de guerre), Moyen-Orient (relations israélo-arabes; exportation d'armes : consultations—Comité de coordination sur les armes du Proche-Orient; Israël), ONU (Assemblée générale : évaluation, rayonnements atomiques : (ébauche de) résolution, représentation de la Chine, désarmement - positions—résolution, membres : admission; FMI), OTAN (procédures d'alerte : Accord tripartite sur les avis de vigilance; examen annuel et aide mutuelle : aide mutuelle; politique de défense : politique sur les armes nucléaires; coopération économique et non militaire : Comité ministériel mixte Canada—États-Unis sur le commerce et les affaires économiques; consultation politique : conférence des ministres des Affaires étrangères, réunion ministérielle - mai, juillet, déc.), OTASE et voir aussi CIA, détente, Dulles, Eisenhower, guerre froide, USAEC

CMI, 1006-1056

bassin de la rivière Ste Croix : renvoi à la CMI, 1012-1014

bassin du Columbia, 1036-1050; voir aussi déviation de Chicago *ci-dessus*; études canadiennes, 1037-1039; rôle du Traité des eaux limitrophes (1909), 1038, 1044; importance des emplacements hydro-électriques, 1038, 1041; retombées en aval, 1042-1044; réunions de la CMI, 1040-1042; utilisation des eaux de crue du Columbia de pair avec le Fraser, 1036-1037, 1046-1050

déviation de Chicago, 1050-1056; et du bassin du Columbia, 1055; moment d'envoi, 1054-1056; note de protestation du Canada : contenu, 1050-1054; relation avec le Traité des eaux limitrophes (1909), 1050-1052, 1055; relation avec le Traité de la rivière Niagara, 1051-1052, 1055; répercussions sur les niveaux du lac Ontario, 1051-1052, 1054; répercussions sur le port de Montréal, 1054

eaux limitrophes : voir pollution transfrontalière *ci-dessus*

niveaux du lac Ontario, 1014-1035; voir aussi déviation de Chicago *ci-dessus* et questions économiques : Voie maritime du Saint-Laurent *ci-dessus*; Administration de la Voie maritime du Saint-Laurent du Canada, 1018, 1028-1029; CMI : réunion, 1024-1027; coût, 1016-1018, 1020, 1022,

- 1028-1029; ébauche de réponse du Canada à la CMI, 1030-1035(n); fluctuations cycliques, 1014; gamme des niveaux, 1015-1019, 1022-1027, 1030; Hydro Ontario, 1017-1018; impact prévu des travaux de terrassement du projet de voie maritime du Saint-Laurent, 1014-1015; intérêt du Québec quant à l'inondation de Montréal, 1014, 1017-1018, 1020, 1028-1029, 1031; New York Power Authority, 1018-1019, 1021; Ontario, 1017; ouvrages de protection au canal Lachine, 1030n; Traité des eaux limitrophes (1909), 1015; US Seaway Development Corporation, 1018-1019, 1021, 1023
- pollution transfrontalière des eaux limitrophes, 1006-1012; Comité consultatif de la politique sur l'utilisation des eaux, 1009-1012; Traité des eaux limitrophes (1909), 1007, 1010; CMI, 1009
- questions économiques, 833-990
- câble transatlantique, 973-980; *voir également* relations en matière de défense et de sécurité : installations de communications américaines *ci-dessus*
- chasse pélagique du phoque : Conférence sur le phoque à fourrure du Pacifique Nord, 1057-1061; instructions destinées à la délégation canadienne, 1057-1059; rapport provisoire, 1060-1061
- Comité ministériel mixte Canada—États-Unis sur le commerce et les affaires économiques : réunion (26 sept.), 895-913; *voir également* excédents agricoles américains *ci-dessus*; compte rendu sommaire, 904-913; convertibilité des devises, 897; GATT, 896, 898-900; OECE, 899; OTAN, 902; politique commerciale internationale, 905-909; production de défense, 897; proposition de réunion, 895-898; relation avec les excédents agricoles américains, 897, 903-904, 910-912; simplification douanière, 896, 898
- énergie atomique : Accord de coopération pour les utilisations civiles, 981-990; APAE, 981; CCEA, 989-990; CDA, 983; clause américaine sur la vente de plutonium, 982; clause américaine sur la vente d'uranium, 982-985; EAAC, 981-984; réserves du Canada au sujet des dispositions en matière de sécurité, 987-989; relation avec les réacteurs NRU/NRX, 986; USAEC, 981-983
- énergie atomique : approvisionnement en uranium, 998-1006; EAAC, 998-1006; politique d'achat, 999-1000; prix, 999-1000, 1002-1005; USAEC, 998-1000, 1005
- excédents agricoles américains, 833-851; *voir également* Comité ministériel mixte Canada—États-Unis sur le commerce et les affaires économiques *ci-dessus*; AIB, 835, 838, 840-841, 845-846, 850-851; aide économique américaine (à la Colombie, à l'Allemagne (République fédérale), à l'Italie, à Israël, et aux Pays-Bas), 834, 836, 838-839, 842, 844; aliénation du blé, 833-851, 897, 904; CCB, 842-843, 846-847; Comité ministériel mixte Canada - États-Unis sur le commerce et les affaires économiques, 834, 837, 839, 841-851; GATT, 850; note du Canada sur la politique d'exportation américaine, 833-835; pays exportateurs de blé (Argentine, France), 843, 845-846; prix des marchandises commerciales, 836, 845-846, 849; relation avec l'aide canadienne dans le cadre du Plan Colombo, 851; réponse américaine à la note du Canada, 838; soutien aux prix intérieurs américains, 836, 839, 842, 847, 849-850
- fraude en valeurs mobilières, 912-921; extradition aux États-Unis, 920; influence du Québec, 917, 919; observations présentées à la Cour suprême, 913-91
- restrictions américaines sur les importations, 852-894; considérations relatives aux relations en matière de défense, 854-857; discussions officieuses sur le sujet, 886-889; GATT, 866, 873, 880-881, 889-890, 894; instances du Canada au sujet de différentes marchandises, 854 861, 864-867, 872-873, 877-881, 883; marchandises visées : graine de trèfle d'alsike, 870-873; normes de tri des pommes de terre, 889-890; panneaux durs, 877-881, 884-886; pétrole brut, 852-862, 867-870, 876n, 890-894, 896; plomb, 863-867, 876n, 896; relation avec le Comité du cabinet américain sur la politique relative aux

- sources et aux ressources énergétiques, 852-860, 862, 891; réponse américaine aux instances du Canada, 862, 868-870; seigle, 874-875, 881-884; US Tariff Commission : panneaux durs, 877; US Tariff Commission : recommandations sur le plomb et le zinc, 864-865; US Tariff Commission : rapport sur la graine de trèfle d'alsike, 870-873; US Tariff Commission : rapport sur le seigle, 881-883; zinc, 863-867, 876n, 896
- taxe de transport, 972-973
- Voie maritime du Saint-Laurent, 921-971; *voir aussi* CMI : niveaux du lac Ontario *ci-dessous*; Administration de la Voie maritime du Saint-Laurent du Canada, 926-927, 930-931, 933-934, 937, 952, 970-971; coût des travaux de terrassement, 944-945, 948-949, 964; CMI, 940-941, 965; dimensions des écluses, 926-927, 931-932, 936-939, 952-953; exemptions douanières, 942-950, 956, 960, 962-968; exemptions en matière d'immigration, 942-950, 956, 960, 962-968; Hydro Ontario, 940, 943, 946-949, 955, 957, 962-963; installations de navigation à Cornwall et Iroquois, 921-923, 927, 931-933, 935, 955, 957-960; New York Power Authority, 940, 943, 955, 957, 962; pont Roosevelt, 968-971; relation avec le Traité des eaux limitrophes (1909), 941, 965; répartition des travaux de terrassement, 940-946, 956, 960-966, 966; répercussions sur le trafic maritime canadien, 924, 934; US Seaway Development Corporation, 930, 933-934, 936-937, 958, 969-971
- relations en matière de défense et de sécurité, 662, 670-832
- bases américaines : utilisation d'émetteurs de télévision, 806-812; rapport avec la SRC, 807, 809-812
- champ de tir aérien du Saint-Laurent, 802-806
- consultations stratégiques (5 déc.), 670-698; attitude américaine, 676-677; attitude canadienne, 677-678; compte rendu, 678-695; délégations, 670, 676-679; ordre du jour, 671-672
- sujets examinés : alertes, 671-675, 687-688; armes atomiques, 671, 684, 688; Avro Arrow (CF-105), 684, 686-687; Chine (République/République populaire), 677, 690-695; CISC, 695-698; Corée (République/République populaire), 691; défense aérienne continentale, 680-690; détente, 679; désarmement, 679; Extrême-Orient, 671, 677, 690-695; intentions soviétiques, 671, 677, 688-690; Laos, 694; ligne Mid-Canada, 685-686; ligne Pinetree, 683, 685; missiles BOMARC, 682, 686-687; missiles FALCON, 682; missiles SIDEWINDER, 682; missiles SPARROW II, 685; missiles TALOS, 682; OTAN, 680, 687-688; programmes de missiles américains, 680-682; réseau DEW, 683; SAGE, 685; Vietnam (République démocratique/République), 694
- défense aérienne continentale, 680-690, 699-755; *voir aussi* Chine (République : Formose), politique étrangère et en matière de défense à l'ère nucléaire; Commandement de défense aérienne continentale des États-Unis, 702, 709-710; Commandement aérien stratégique des États-Unis, 703, 710CPMD, 699, 710, 716; Commandement de défense aérienne du Canada, 709, 712; Commandement de la défense aérospatiale de l'Amérique du Nord : proposition, 701-702, 709, 711, 713, 717, 719-720, 733, 755; détente : répercussions, 714; désarmement, 715; Force de défense aérospatiale de l'Amérique du Nord : proposition, 701, 711; ligne Mid-Canada, 700, 716, 727-728, 748; ligne Pinetree, 716, 723, 727, 748; menace soviétique : estimations, 707, 714, 722, 726; missiles (BOMARC, FALCON, NIKE, SPARROW II, TALOS), 716-717, 722-723, 728, 736-740, 743-745, 747-750, 752-754; MSG, 699-701, 703, 709, 712, 715; Plan de défense d'urgence Canada—États-Unis, 704; relations avec l'OTAN, 714-715, 730-732, 735, 749-751, 753-754; réseau DEW, 727, 748; rôle des réseaux d'alerte avancés, 700; SAGE, 710, 712, 727, 750
- Avro Arrow (CF-105) : et missiles nucléaires, 706; comparaison à d'autres aéronefs disponibles, 729-730; conception, 706; coût, 707-708, 718-720, 724, 736-741, 750-754; développement, 707-

- 708, 718-721; possibilités d'action, 734, 742-746; programme de préproduction, 705-707; progrès, 715-717; réévaluation, 721-755; utilisation par l'OTAN, 708;
- énergie atomique : Accord de coopération pour les utilisations militaires, 991-997; Annexe de l'Accord sur l'échange d'information sur l'énergie atomique aux fins de défense mutuelle, 994-995; APAE, 993; ébauche canadienne, 991-992; relation avec le réseau DEW, 997; relation avec l'OTAN, 991n, 993
- essais nucléaires dans le Pacifique, 799-802; voir également rayonnements atomiques
- Frobisher Bay : Advisory Committee on Northern Development, 794-798; personnel américain, 792-798
- Goose Bay : personnel américain, 790-791
- installations de communications américaines, 818-832; voir également questions économiques : câble transatlantique *ci-dessous*; avantages pour le Canada, 823-824; contrôle, 821-822, 825-826, 828; COTC, 819; CPMD, 822; dotation en personnel, 818-820; ligne Pinetree, 821, 832; réseau américain dans l'Est du Canada, 819; réseau DEW, 826, 829-832
- réseau DEW, 727, 756-784; construction, 756-757, 765, 777; CPMD, 759, 761, 772-779, 781, 783-784; fonctionnement, 756-757, 762-784; relation avec la ligne Pinetree, 770; relation avec la ligne Mid-Canada, 766, 770, 774, 783; répercussions sur les Inuit, 758, 760-761; réapprovisionnement, 770-771, 776; sites : rétablissement, 758-761
- stations de sondage expérimentales : à Shelburne (N.-É.), 812-818; à Quatsino Sound (C.-B.), 816; CPMD, 813-814
- système de défense radar (lignes Pinetree et Mid-Canada) : 784-789; autres stations radar sur la côte du Labrador, 786-787; autres stations radar à Barington (N.-É.), Oba et Marathon (Ont.) et Kamloops (C.-B.), 784-786; « Tour de Texas », 788-789
- relations politiques, 660-670, 1057-1065
- eaux territoriales : entrée Dixon et détroit d'Hécate, 1057
- publicité sur le Canada aux États-Unis, 1061-1065
- souveraineté arctique, 1061
- visite du secrétaire d'État américain à Ottawa (17-19 mars), 660-670; sujets examinés : armes atomiques, 661-662; consultations bilatérales, 661; Chine (République/République populaire), 661, 663-667; défense, 662, 670; Allemagne (République fédérale/République démocratique), 669; CISC, 668; Corée (République/République populaire), 669; Laos, 667-668; OTAN, 660-661; commerce : pétrole, 662; Vietnam (République démocratique/République) élections, 668-669; UEO, 660-661; Yalta, 660
- EUROPE : voir Benelux, Europe de l'Est, UPE, OTAN, Scandinavie, Pacte de Varsovie, Europe de l'Ouest
- EUROPE DE L'EST : visites officielles, 1127-1130; voir aussi Allemagne (République démocratique), bloc communiste, Bulgarie, détente, Europe de l'Ouest, guerre froide, Hongrie, OTAN, Pacte de Varsovie, Pologne, Roumanie, Union soviétique, Tchécoslovaquie, Yougoslavie
- EUROPE DE L'OUEST, 1066-1127; voir UEO et aussi Allemagne, Autriche, Benelux, Danemark, Espagne, Europe de l'Est, Finlande, France, Irlande, Norvège, OEEC, OTAN, Portugal, Royaume-Uni, Scandinavie, Suède, UEP
- émigration : mesures financières d'aide à l'Europe de l'Ouest, 1125-1127
- intégration de l'Europe de l'Ouest, 1066-1076; énergie atomique : propositions en vue d'une démarche commune, 1070; conférence de Messine (1^{er}-2 juin), 1066(n)-1067, 1074; positions des pays suivants : Belgique, 1068/1069; Canada, 1070-1073, 1075-1076; France, 1067, 1071; propositions en vue d'un marché commun (une union douanière), 1067, 1070, 1074; relation avec le GATT, 1068-1069, 1071-1075; relation avec l'OTAN, 1068-1069, 1072-1073, 1075
- OEEC, 1076-1112
- convertibilité des devises, 1095-1112; relation avec l'UEP, 1095-1097, 1099-1101, 1104, 1108-1110; relation avec le GATT, 1096-1097, 1100, 1102, 1106, 1108, 1110-1112; relation avec le FMI, 1100, 1104-1106, 1108; réunion du Conseil ministériel de l'OEEC, 1102-1103 (10-11 mai), 1109-1111 (9-11 juin); réunion du Groupe d'examen ministériel de l'OEEC, 1095-1099; positions des

- pays suivants : Allemagne (République fédérale), 1097, 1102; Benelux, 1097, 1102; Canada, 1098-1099, 1107-1108, 1111-1112; Danemark, 1097; États-Unis, 1096-1097, 1105-1106; France, 1102; Royaume-Uni, 1096, 1102-1103, 1105-1106, 1109; Suède, 1097; Suisse, 1097, 1104-1105; zone sterling, 1100-1101, 1108
- restrictions quantitatives sur les importations payables en dollars, 1076-1095; relation avec le GATT, 1080, 1095, 1103; relation avec le FMI, 1080, 1103; réunion du Conseil de l'OECE, 1079; Questionnaire de l'OECE, 1080-1081
- Groupe de travail sur l'OECE sur la libéralisation des importations payables en dollars, 1088-1090; annexe française à l'ébauche de rapport, 1093; commentaires du Canada sur l'ébauche de rapport, 1094-1095; ébauche de rapport, 1089-1093; résumé de chapitres du rapport, 1091-1092
- positions des pays suivants : Allemagne (République fédérale), 1083-1084, 1087; Autriche, 1081; Belgique, 1085; Canada, 1076-1077, 1079, 1086, 1088-1090, 1094-1095; Danemark, 1081; États-Unis, 1077-1079, 1081-1082, 1085-1089, 1091; France, 1080, 1085, 1090-1091; Norvège, 1081, 1085; Pays-Bas, 1085; Royaume-Uni, 1082-1083, 1087-1088; Suède, 1084; Suisse, 1086
- Traité de l'État autrichien, 1112-1118; accession du Canada, 1115-1116; ingérence soviétique dans les affaires autrichiennes, 1115; intérêts pétroliers canadiens en Autriche, 1114, 1116; neutralité de l'Autriche, 1115, 1117-1118(n); réfugiés, 1113; relations du Canada avec l'Autriche, 1113; relation avec l'ONU, 1115
- Traité de paix de l'Italie : dénoncé par l'Italie, 1118-1124; OTAN, 1119, 1121-1124; UEO, 1121-1122, 1124
- EXAMEN ANNUEL (OTAN) : voir OTAN (examen annuel et aide mutuelle)
- EXPORTATIONS : voir marchandises, GATT, importations, États-Unis (questions économiques : restrictions américaines sur les importations)
- EXTRÊME-ORIENT, 1247-1639; voir Chine (République populaire), Commonwealth (réunion des premiers ministres : sujets examinés), immigration, OTAN (consultation politique : réunion ministérielle—mai, juillet), États-Unis (relations en matière de défense et de sécurité : consultations stratégiques—sujets examinés) et voir aussi Australie, Cambodge, Chine (République), conférence de Bandoung, conflit coréen, immigration, Indochine, Indonésie, Japon, Laos, Malaisie, Népal, Nouvelle-Zélande, OTASE, Plan Colombo, Singapour, Thaïlande, Vietnam (République démocratique/République); immigration de l'Extrême-Orient, 1613-1614

F

- FAURE, EDGAR (PREMIER MINISTRE FRANÇAIS) : voir OTAN (consultation politique : conférence des ministres des Affaires étrangères, conférence des chefs d'État : désarmement) et désarmement, France
- FINLANDE : voir ONU (Assemblée générale : membres—admission) et aussi Scandinavie
- FMI : voir Fonds monétaire international
- FONDS DES NATIONS UNIES POUR L'ENFANCE (UNICEF) : voir ONU (programmes extra-budgétaires)
- FONDS DES NATIONS UNIES POUR LES RÉFUGIÉS (UNREF) : voir ONU (programmes extra-budgétaires)
- FONDS MONÉTAIRE INTERNATIONAL (FMI) : voir OTAN (coopération économique et non militaire), ONU (FMI), Europe de l'Ouest (OECE : convertibilité, restrictions quantitatives)
- FONDS SPÉCIAL DES NATIONS UNIES POUR LE DÉVELOPPEMENT ÉCONOMIQUE (SUNFED) : voir ONU (Assemblée générale : évaluation, instruction)
- FORMOSE (ET ÎLES CÔTIÈRES) : voir Chine (République)
- FRANCE : voir Chine (République populaire), Commonwealth (Plan Colombo : Comité consultatif du Commonwealth - instructions), États-Unis (questions économiques : excédents agricoles américains), Europe de l'Ouest (OECE : convertibilité, restrictions quantitatives; intégration de l'Europe de l'Ouest) GATT (9^e séance des Parties contractantes : exemption), Indochine (intervention de la CISC au Vietnam), Japon (criminels de guerre), Moyen-Orient (exportation d'armes : consultations—Comité de coordination sur les armes du Proche-Orient), ONU (Assemblée générale : Algérie—positions, évaluation, désarmement - positions; FMI), OTAN (politique de défense : contributions des forces nationales; consultation politique : conférence des ministres des Affaires étrangères, réunion ministérielle - mai,

juillet, déc.), OTASE et *voir aussi* Algérie, Faure, Maroc, Tunisie

G

GOVERNEMENT ROYAL LAOTIEN (GRL) : *voir* Indochine (interventions de la CISC au Laos), et Laos

GRAND QUARTIER GÉNÉRAL DES PUISSANCES ALLIÉES EN EUROPE (SHAPE) : *voir* OTAN (examen annuel et aide mutuelle : examen annuel)

GRÈCE : *voir* OTAN (coopération économique et non militaire) et *aussi* Chypre, Turquie

GUERRE FROIDE : *voir* politique étrangère et en matière de défense à l'ère nucléaire et bloc communiste, détente, Europe de l'Est, OTAN, OTASE, Pacte de Varsovie

H

HONGRIE : *voir* ONU (Assemblée générale : membres—admission) et *voir aussi* guerre froide, bloc communiste, détente, Europe de l'Est

HYDRO ONTARIO : *voir* États-Unis (questions économiques : Voie maritime du Saint-Laurent; CMI : niveaux du lac Ontario)

I

ICBM : *voir* missiles balistiques intercontinentaux

IMMIGRATION : *voir* Commonwealth (relations avec les différents pays : Antilles britanniques), Égypte (visite du secrétaire d'État aux Affaires extérieures), Extrême-Orient, États-Unis (questions économiques : Voie maritime du Saint-Laurent), Europe de l'Ouest, Japon

INCIDENT DE GAZA : *voir* Moyen-Orient (relations israélo-arabes, exportation d'armes : Israël) et Israël

INDE : *voir* conférence de Bandoung, Chine (République populaire), Chine (République : Formose), Commonwealth (Plan Colombo : Comité consultatif du Commonwealth, Inde, réacteur NRX pour l'Inde; réunion des premiers ministres; statut du Pakistan; relations avec les différents pays), Indochine (intervention de la CISC au Cambodge : conférence de Bandoung, position; intervention de la CISC au Laos : conférence de Bandoung, position; intervention de la CISC au Vietnam, position), ONU (Assemblée générale : rayonnements atomiques—(ébauche de) résolution, désarmement : positions, résolution; instructions; membres : admission; FMI) et *voir aussi* Pakistan

INDOCHINE : *voir* conférence de Bandoung, Chine (République populaire), Chine (République : Formose), Commonwealth (réunion

des premiers ministres; relations avec les différents pays : Inde—visite de Krishna Menon—visite du secrétaire d'État aux Affaires extérieures), États-Unis (relations politiques : visite du secrétaire d'État américain—Laos, Vietnam), Union soviétique (visite du secrétaire d'État aux Affaires extérieures : sujets examinés) et *voir aussi* Cambodge, Extrême-Orient, Japon, Laos, Thaïlande, Vietnam

CISC : intervention au Cambodge, 1301, 1408-1442

accord d'aide militaire (AAM) des États-Unis avec le Cambodge, 1408-1421, 1431;

avenir, 1421-1423, 1428

CIA, 1439

conférence de Bandoung, 1412

élections, 1431-1434, 1436-1438

positions des pays suivants : Cambodge, 1430, 1434-1435; Canada, 1409-1410, 1414-1415, 1417-1418, 1420-1427, 1441-1442; États-Unis, 1410-1412, 1414-1415, 1420-1421; Inde, 1413-1415, 1419-1420, 1441; Pologne, 1413

rapports provisoires : Quatrième, 1431-1434, 1436-1438

CISC : intervention au Laos, 1298-1301, 1427, 1442-1502

cessez-le-feu : résolution indienne sur la question, 1495-1501(n)

CISC au Laos : (ébauche de) résolutions, 1443-1446, 1473, 1475-1476, 1481-1482, 1486-1487, 1495-1497, 1500; compétence juridique, 1458-1461, 1478; réunions, 1442-1443, 1449-1450, 1498-1499; rôle, 1484-1485

conférence de Bandoung, 1412

élections, 1451-1452, 1458, 1462, 1469, 1489

établissement militaire, 1459, 1462-1463, 1482-1483

établissement politique : plan (indien), 1455-1469, 1488, 1496-1497

OTASE, 1451, 1490

Pathet Lao : rôle, 1445-1447, 1454, 1456-1457, 1468-1469

positions des pays suivants : Canada, 1443-1444, 1447-1448, 1454, 1458-1461, 1465-1467, 1470-1472, 1474-1475, 1478-1481, 1488-1494, 1497-1501; États-Unis, 1453, 1501-1502; Inde, 1445-1446, 1448-1449, 1455-1457, 1459, 1461-1464, 1470-1473, 1482-1483, 1493-1494; Laos (GRL), 1456-1457, 1468-1469, 1471(n),

- 1475, 1477, 1486-1487, 1489; Pologne, 1449-1450
- provinces du Nord (Phong Saly, Sam Neua) : rétablissement de l'administration royale dans ces provinces, 1442-1450, 1458, 1462, 1469-1470, 1475-1477, 1479-1482, 1496-1497; contrôle militaire et administratif, 1266, 1274, 1276, 1298-1299, 1386, 1451, 1468-1469, 1483
- CISC : intervention en Indochine, 1397-1398, 1422-1424, 1439, 1488-1490; réunion du Conseil de l'OTAN : déclaration du Canada, 1295-1302
- CISC : intervention au Vietnam, 1247-1408
- armes : contrebande, 1268-1269, 1323
- avenir de la CISC, 1268-1273, 1322-1332, 1367-1368, 1402-1407
- bases militaires, 1324, 1328
- conflit coréen et Indochine, 1395-1396, 1402-1403, 1407
- détente et Indochine, 1395
- élections, 1256-1261, 1265-1267, 1275-1278, 1286-1290, 1302-1303, 1315-1321, 1331-1332, 1337-1339, 1343-1344, 1352-1355, 1385-1386, 1388-1391; positions des pays suivants : Vietnam (République démocratique), 1315-1316, 1331; Vietnam (République), 1286-1287, 1310, 1316-1317, 1332, 1339, 1346-1348, 1352(n)-1358, 1383, 1390-1391
- émeute de Saïgon, 1346-1348, 1350, 1356, 1368, 1372, 1375
- forces armées : regroupement, 1268-1269, 1298, 1323, 1335
- incidents : enquêtes à Ba-Lang, 1253-1254; à Chi Hoa, 1292, 1306, 1325; à Poulo Condore, 1292, 1306, 1325; dans le Nord, 1401; dans le Sud, 1313, 1400-1401; en général, 1340, 1349-1350, 1362, 1384-1385, 1392-1395, 1400-1402
- liberté de mouvement : au Vietnam du Nord, 1247-1256, 1267-1268, 1270-1271, 1278-1285, 1290-1294, 1304-1305, 1307-1308, 1311-1315, 1325-1326, 1329-1330, 1333-1335, 1340-1342, 1344-1345, 1348-1351, 1360-1363; Comité des libertés : recommandations, 1261-1263, 1293, 1350-1351, 1358-1359, 1361, 1376-1377; positions des pays suivants : Vietnam (République démocratique), 1247-1252, 1261, 1267-1268, 1271-1272, 1278, 1283-1285, 1290-1291, 1293, 1308; publicité : besoin, 1312-1313, 1345; Vietnam (République), 1340
- libertés démocratiques, 1268, 1271-1273, 1297, 1325, 1328-1329, 1335-1336
- ligne de démarcation, 1328, 1335
- ONU et Indochine, 1337
- OTASE et Indochine, 1265, 1273-1274, 1287, 1337, 1407
- population chrétienne : problème spécial, 1254-1255
- positions des pays suivants : Canada, 1254-1259, 1266-1267, 1276-1278, 1282, 1286-1292, 1307-1308, 1310-1311, 1314-1315, 1321, 1334-1340, 1341-1344, 1348-1349, 1355-1356, 1359-1363, 1369-1373, 1375-1377, 1386-1387, 1395-1400; États-Unis, 1260, 1273-1274(n), 1317, 1388-1389, 1391, 1399-1400; France, 1304, 1306, 1308, 1312, 1314, 1317, 1324, 1333; Inde, 1252-1253, 1259-1261, 1275, 1292-1294, 1296, 1304, 1308, 1314, 1318-1319, 1326, 1352, 1363-1367, 1380, 1382, 1404-1405; Pologne, 1305-1306, 1308, 1326, 1403; Royaume-Uni, 1291-1292; Union soviétique, 1403
- prisonniers civils, 1325, 1328
- prisonniers de guerre, 1268-1270, 1324, 1328
- rapports provisoires : Troisième, 1304; Quatrième, 1349, 1351-1353, 1365-1370, 1374-1376, 1379-1382
- subversion, 1329, 1331
- INDONÉSIE : voir conférence de Bandoung, Commonwealth (Plan Colombo : Comité consultatif du Commonwealth—aide aux pays non membres du Commonwealth) et Extrême-Orient
- INUIT : voir États-Unis (relations en matière de défense et de sécurité : réseau DEW)
- IRAN : voir Pacte de Bagdad et aussi Moyen-Orient
- IRAQ : voir Pacte de Bagdad et aussi Moyen-Orient
- IRLANDE : voir ONU (Assemblée générale : membres—admission) et Europe de l'Ouest
- ISLANDE : voir ONU (Assemblée générale : rayonnements atomiques - (ébauche de) résolution)
- ISRAËL : voir Moyen-Orient (relations israélo-arabes, exportation d'armes), États-Unis (questions économiques : excédents agricoles américains—aide économique américaine) et réfugiés palestiniens, canal de Suez, ONUST;
- visite du ministre des Affaires étrangères à Ottawa (1^{er}-2 déc.), 1241-1244; sujets

examinés : problèmes liés au canal de Suez, 1242-1243

ITALIE : voir États-Unis (questions économiques : excédents agricoles américains—aide économique américaine), Europe de l'Ouest (Traité de paix de l'Italie), ONU (Assemblée générale : membres—admission; FMI), OTAN (coopération économique et non militaire; consultation politique : conférence des ministres des Affaires étrangères, réunion ministérielle—juillet, déc.)

J

JAMAÏQUE : voir Antilles britanniques

JAPON : voir GATT (9^e séance des Parties contractantes : exemption; négociations avec les États-Unis et le Japon), ONU (Assemblée générale : membres—admission; FMI)

criminels de guerre : clémence, 1626-1634; liste, 1627; positions des pays suivants : Australie, 1627, 1631; Canada, 1628-1630, 1632; États-Unis, 1627-1631, 1633; France, 1627, 1631; Nouvelle-Zélande, 1631; Pakistan, 1627, 1631; Pays-Bas, 1631, 1633; Royaume-Uni, 1627, 1629, 1631

émigration, 1634-1639; retour d'anciens résidents et cas spéciaux, 1634-1635, 1638-1639

JORDANIE : voir ONU (Assemblée générale : membres—admission) et Moyen-Orient, réfugiés palestiniens, ONUST

K

KHROUCHTCHEV, NIKITA (PREMIER SECRÉTAIRE DU PARTI COMMUNISTE DE L'UNION SOVIÉTIQUE) : voir Union soviétique (tendances de la politique étrangère; visite du secrétaire d'État aux Affaires extérieures) et aussi bloc communiste, Europe de l'Est, Pacte de Varsovie

L

LAOS : voir Commonwealth (Plan Colombo : Comité consultatif du Commonwealth—aide aux pays non membres du Commonwealth; relations avec les différents pays : Inde—visite de Krishna Menon), conférence de Bandung, États-Unis (relations en matière de défense et de sécurité : consultations stratégiques—sujets examinés; relations politiques : visite du secrétaire d'État américain), GRL, Indochine (intervention de la CISC au Cambodge, au Laos et au Vietnam), ONU (Assemblée générale : membres—admission) et Cambodge, Extrême-Orient, Vietnam

LIBYE : voir ONU (Assemblée générale : membres—admission) et aussi Afrique du Nord,

Algérie, Égypte, France, Maroc, Moyen-Orient, Tunisie

LIGNE MID-CANADA : voir États-Unis (relations en matière de défense et de sécurité : défense aérienne continentale, réseau DEW, système de défense radar, consultations stratégiques—sujets examinés) et ligne Pinetree, réseau DEW, système d'alerte avancé

LIGNE PINETREE : voir États-Unis (relations en matière de défense et de sécurité : défense aérienne continentale, réseau DEW, système de défense radar, consultations stratégiques—sujets examinés, installations de communications américaines) et voir aussi DEW, ligne Mid-Canada, système d'alerte avancé

M

MALAISIE : voir Commonwealth (Plan Colombo : Comité consultatif du Commonwealth—aide aux pays non membres du Commonwealth) et Extrême-Orient

MALENKOV, GEORGII (PREMIER MINISTRE DE L'UNION SOVIÉTIQUE) : voir Union soviétique (tendances de la politique étrangère)

MARCHANDISES : voir GATT (9^e séance des Parties contractantes : exemption—principales marchandises canadiennes, y compris amandes, avoine, blé, bleuets, bovins, cacahuètes, coton, fromage, graines de lin, huile de lin, huile, pommes de terre, noisettes, oeufs, orge, pommes, produits laitiers, seigle, sirop d'érable et farine) négociations avec les États-Unis : négociations : cuir à dessus, fourrure de renards, graines de soya, jambon en boîte, méthanol, oeufs, pantoufles, papiers peints, tétrachlorure de carbone), États-Unis (questions économiques : excédents agricoles américains, restrictions américaines sur les importations (graine de trèfle d'alsike, panneaux durs, plomb, pétrole (brut), normes de tri des pommes de terre, seigle, zinc); relations politiques : visite du secrétaire d'État américain : sujets examinés—commerce), et exportations, importations

MARINE ROYALE CANADIENNE (MRC) : voir OTAN (examen annuel et aide mutuelle : examen annuel)

MAROC : voir ONU (Assemblée générale : Algérie, instructions) et aussi Afrique du Nord, Algérie, autodétermination, décolonisation, France, Libye, Moyen-Orient, Tunisie

MILITARY STUDY GROUP (MSG) : voir États-Unis (relations en matière de défense et de sécurité : défense aérienne continentale)

MISSILES : voir États-Unis (relations en matière de défense et de sécurité : défense aérienne continentale, consultations stratégiques) et

- voir aussi* aéronefs, armes, désarmement, ICBM, missiles BOMARC, missiles FALCON, missiles NIKE, missiles SIDEWINDER, missiles SPARROW II, missiles TALOS
- MISSILES BALISTIQUES INTERCONTINENTAUX (ICBM) : *voir* ONU (Assemblée générale : désarmement) et aéronefs, armes, désarmement, missiles
- MISSILES DE LONGUE PORTÉE BOMARC : *voir* États-Unis (relations en matière de défense et de sécurité : défense aérienne continentale—missiles, consultations stratégiques—sujets examinés) et missiles
- MISSILES DÉPLOYÉS EN L'AIR FALCON : *voir* États-Unis (relations en matière de défense et de sécurité : défense aérienne continentale, consultations stratégiques)
- MISSILES GUIDÉS AIR-AIR SPARROW II : *voir* États-Unis (relations en matière de défense et de sécurité : défense aérienne continentale, consultations stratégiques) et *voir* armes, missiles
- MISSILES NIKE : *voir* États-Unis (relations en matière de défense et de sécurité : défense continentale—missiles) et *aussi* armes, désarmement, missiles
- MISSILES SIDEWINDER : *voir* États-Unis (relations en matière de défense et de sécurité : consultations stratégiques)
- MISSILES TALOS : *voir* États-Unis (relations en matière de défense et de sécurité : défense continentale—missiles) et *voir* missiles
- MONGOLIE EXTÉRIEURE : *voir* ONU (Assemblée générale : membres - admission) et Chine (République populaire), Extrême-Orient
- MOUVEMENT DES PAYS NON ALIGNÉS : *voir* conférence de Bandoung et ONU (Assemblée générale : membres—admission : puissance de Bandoung)
- MOYEN-ORIENT, 1201-1246; *voir aussi* Commonwealth (réunion des premiers ministres : sujets examinés), OTAN (consultation politique : réunion ministérielle—mai) et Afrique du Nord, Algérie, Égypte, incident de Gaza, Iran, Iraq, Israël, Jordanie, Libye, Maroc, ONUST, Pacte de Baghdad, Pakistan, réfugiés palestiniens, Tunisie, Turquie
- exportation d'armes, 1201-1221
- consultations, 1201-1204; Comité de coordination des armes du Proche-Orient (France, Royaume-Uni, États-Unis) : participation canadienne, 1202-1203
- Égypte, 1204-1210, 1238; BIR : évaluation, 1205; ventes d'aéronefs canadiens, 1204-1208; ventes d'armes chètes, 1208-1210, 1217, 1220, 1243; ventes d'armes soviétiques, 1207-1208
- Israël : et armes canadiennes, 1210-1221; estimations du BIR, 1214-1215, 1218-1219; États-Unis, 1211, 1214; positions des pays suivants : Royaume-Uni, 1211, 1214; relation avec l'OTAN, 1220; relation avec l'incident de Gaza, 1212; rôle de la Corporation commerciale canadienne, 1212, 1218-1219, 1221
- relations israélo-arabes, 1222-1234; affaire Bat Galim (navigation israélienne dans le canal de Suez), 1222, 1224; Dulles, propositions de J. F., 1229-1233, 1240; Égypte, 1226, 1231-1232; États-Unis, 1227, 1229-1230; incident de Gaza, 1225-1229; Israël, 1226-1227, 1232; Pakistan, 1232; positions des pays suivants : Canada, 1231-1234; Royaume-Uni, 1227, 1230-1231; Union soviétique, 1227
- MSG : *voir* Military Study Group

N

- NÉPAL : *voir* ONU (Assemblée générale : membres—admission) et Extrême-Orient
- NEW YORK POWER AUTHORITY : *voir* États-Unis (questions économiques : Voie maritime du Saint-Laurent, CMI : niveaux du lac Ontario)
- NORVÈGE : *voir* OTAN (consultations politiques : conférence des ministres des Affaires étrangères, réunion ministérielle : déc.), ONU (Assemblée générale : rayonnements atomiques - (ébauche de) résolution), Europe de l'Ouest (OECE : restrictions quantitatives) et Scandinavie
- NOUVELLE-GUINÉE OCCIDENTALE : *voir* ONU (Assemblée générale : instructions) ainsi que décolonisation, territoires non autonomes
- NOUVELLE-ZÉLANDE : *voir* Chine (République populaire), Chine (République : Formose), conflit coréen (retrait des forces canadiennes), Japon (criminels de guerre), OTASE et *voir aussi* Australie, Commonwealth, Extrême-Orient

O

- OFFICE DE SECOURS ET DE TRAVAUX DES NATIONS UNIES POUR LES RÉFUGIÉS DE PALESTINE (UNRWA) : *voir* ONU (programmes extrabudgétaires) et réfugiés palestiniens
- ONTARIO : *voir* États-Unis (questions économiques : Voie maritime du Saint-Laurent; CMI : pollution transfrontalière, niveaux du lac Ontario) et Hydro Ontario
- ONUST : *voir* Organisme des Nations Unies chargé de la surveillance de la trêve

ORGANISATION DES NATIONS UNIES (ONU), 1-269; *voir également* Chine (République populaire), Chine (République : Formose), conférence de Bandoung, conflit coréen, Europe de l'Ouest (Traité de l'État autrichien), Indochine (intervention de la CISC au Vietnam), OTAN (consultation politique : conférence des ministres des Affaires étrangères), Union soviétique (visite du secrétaire d'État aux Affaires extérieures) et *voir aussi* CEE, Conseil de tutelle, GATT

Assemblée générale : 10^e séance, 1-176

Algérie, 7, 155-162; *voir aussi* évaluation : Algérie, membres : admission, ci-après, et *aussi* autodétermination, 158-159; décolonisation; OTAN : relation, 156, 159-161; positions des pays suivants : Canada, 157-160; France, 155-157, 161-162; SA-CEUR : relation, 156, 160; question de la Tunisie et du Maroc, 156-158, 160

désarmement, 4, 84-155, 174; armes nucléaires : réduction, 109, 118, 121, 124, 130; forces armées : réduction, 120, 126; énergie atomique : contrôle par l'ONU, 84, 86-87, 95, 113, 121, 127; ICBM, 91, 95; inspection, 84, 88, 91, 95, 121, 127

Commission du désarmement des Nations Unies, 130-155; réunion (21 oct.) : rapports, 132-133; composition, 134-135

positions des pays suivants : Canada, 84-85, 96-102, 104-107, 110, 113, 116, 118-120, 122-127, 132, 134-136, 139-140, 142-143, 145-147; États-Unis, 90-91, 94-98, 102-104, 106-108, 111, 115-117, 119, 126-128, 132, 137-138; France, 111, 113-114, 116, 118, 124-127, 129-130, 132, 138, 149; Inde, 88-90, 152; puissances de l'Ouest, 151-153; Royaume-Uni, 109-113, 138; Union soviétique, 91-94, 112-113, 116-118

propositions de désarmement de Bulganin, 140, 144, 148; d'Eisenhower (« ciels ouverts »—21 juillet), 94-96, 102-104, 106-108, 110-111, 119, 121, 135-141, 144, 148, 174; de la France et du Royaume-Uni, 90-93, 98, 106, 109, 121, 127-128; de la France (Faure), 104-105, 120; de l'Union soviétique, 120, 155

résolution (914 (X), 16 déc.) : modifications canadiennes, 140-142,

145; modifications indiennes, 152-153; modifications soviétiques, 150-151, 154-155; ébauches britanniques, 144-146; ébauches américaines, 115; ébauches et modifications combinées de l'Ouest, 148-149, 151-152

Sous-comité de la Commission du désarmement des Nations Unies, 84-131; consultations préliminaires, 102-104, 107-110; participation du Canada, 96-97; rapport sommaire, 91-94; rapports, 111-114, 116-119; réunion de Londres (25 fév.-18 mai) : instructions, 85-91; réunion de New York (29 août-9 sept.), 100-102

élections, 11-16; Conseil de sécurité, 2, 12-16; Conseil de tutelle, 13-14; ECOSOC, 2-3, 13; participation du Canada aux principaux conseils de l'ONU, 11-14

évaluation, 167-176; Afrique du Sud, 169; Algérie, 169-170; conflit coréen, 174; décolonisation, 170; détente (« esprit de Genève »), 168-169, 173; droits de la personne, 175-176; énergie et rayonnements atomiques, 173-174; États-Unis, 172; pays de l'Amérique du Sud, 172; positions des puissances de : Bandung, 172; de la France, 169; puissances de l'Ouest, 171; question des réfugiés, 175; réfugiés palestiniens, 170-171; questions économiques et sociales, 174-175; représentation de la Chine, 171; « révolte des petites puissances », 172-173; SUNFED, 175; Togo (britannique/français) : avenir, 176; Union soviétique, 171-172

instructions données à la délégation canadienne, 1-11; *voir aussi* élections *ci-dessus*; Afrique du Sud, 6, 8; Chypre, 6; décolonisation, 2, 5-6; conflit coréen : règlement, 8-9; droits de la personne, 10; énergie atomique, 4-5; Maroc, 6-7; Nouvelle-Guinée occidentale, 8; questions sociales, 10; questions administratives et budgétaires, 10-11; questions économiques, 9-10; SUNFED, 9; territoires non autonomes, 8

membres : admission de nouveaux membres, 3, 16-70; *voir aussi* conférence de Bandoung, Chine (République populaire)

Algérie : importance, 25, 31, 41, 51

- consultation avec les puissances amies (puissances concernées par le Plan Colombo, membres de l'OTAN, membres du Commonwealth), 19, 27, 54
- (ébauche de) résolution (918 (X), 8 déc.), origine canadienne, 24-25, 27, 39, 49, 52-53; débat de l'Assemblée générale : positions, 66-67; discussion du Conseil de sécurité, 67-68; modification indienne, 60, 65-66; réunion des coparrains, 44-46, 48-49, 57-58, 60, 65-66
- pays demandant l'admission : Albanie, 17, 30, 51; Allemagne (République démocratique/République fédérale), 18; Autriche, 17, 20-21; Bulgarie, 17, 69; Cambodge, 17; Ceylan, 17, 40; Corée (du Sud), 18-19, 30, 67; Espagne, 18, 24(n), 26-30, 32, 35, 46, 48, 50, 52-54, 56, 64; Finlande, 17; Hongrie, 17, 69; Irlande, 17; Italie, 17; Japon, 17, 22-23, 32, 48, 50, 56, 68; Jordanie, 17; Laos, 17; Libye, 17; Mongolie extérieure, 17-18, 22-23, 28-30, 33-34, 36-37, 41-42, 48, 50-51, 53-56, 58-59, 61, 64, 67-69; Népal, 17; Portugal, 17; puissances de Bandung (7), 17, 20-21, 23, 30-31; Roumanie, 17, 69; Vietnam (République), 18-19, 67
- positions des pays suivants : Australie, 45-46; Canada, 25-27, 29-32, 35-47, 49, 52-54, 5657, 62-65, 68-69; Chine (République), 18, 36-37, 53, 58-59, 61-62, 64, 66-69; États-Unis, 20-21, 29-30, 34-35, 42, 47-48, 52-55, 64, 68-70; Royaume-Uni, 23-24, 28-29, 33, 40-41; Union soviétique, 22-23, 32, 50-51
- rayonnements atomiques : comité (proposé) de l'ONU pour l'étude des effets nuisibles, 71-74; effets, 5, 71-83; essai de la bombe H, 71-72; modifications (proposées) par l'Inde, 78, 80-81, 83n; par l'Union soviétique, 78, 80-81; positions des pays suivants : Canada, 75-76, 82; États-Unis, 75-76, 83; Royaume-Uni, 75-76, 83; résolution (913 (X), 3 déc.) rédigée par l'Australie, le Canada, le Danemark, l'Islande, la Norvège, la Suède, le Royaume-Uni, les États-Unis, 77-80
- Représentation de la Chine (République populaire) à l'ONU, 3, 59, 162-167, 1576; voir évaluation ci-dessus; consultations du Commonwealth, 165-166; reconnaissance internationale, 166-167; positions des pays suivants : Canada, 163-165, 167; Chine (République), 164; États-Unis, 163, 166-167; Royaume-Uni, 162
- FMI, 243-269; voir aussi convertibilité, devise, dollar, UEP, zone sterling
- 10^e réunion annuelle du Conseil des gouverneurs, 266-269
- convertibilité des devises : consultations avec le GATT sur les restrictions à l'importation, 261; considérations générales sur le mouvement vers la convertibilité, 243-250, 253-256, 266-269; ébauche d'énoncé de politique, 255-256, 260-261; restrictions sur les importations : politique d'approbation, 250-251, 255, 260-261
- positions des pays suivants : Allemagne (République fédérale), 248; Australie, 268; Belgique, 248-249; Canada, 246-247, 250-252, 257-259, 263-265; Chine (République), 249-250; directeur exécutif du FMI, 253, 259; États-Unis, 245-246, 267-268; France, 250, 262; Inde, 249-250; Italie, 249-250; Japon, 249; Pays-Bas, 249; Royaume-Uni, 247-248, 256-259, 262-263, 265-267
- programmes extrabudgétaires : contributions canadiennes, 176-183; ETAP, 176-179, 183; UNICEF, 179-180, 183; UNREF, 182-183; UNRWA, 180-183
- ORGANISATION DU TRAITÉ DE L'ASIE DU SUD-EST (OTASE); AUSTRALIE, FRANCE, NOUVELLE-ZÉLANDE, PAKISTAN, PHILIPPINES, THAÏLANDE, ROYAUME-UNI, ÉTATS-UNIS : voir Chine (République) : Formose, conférence de Bandung, conférence de Bangkok, conflit coréen (retrait des forces canadiennes), Indochine (intervention de la CISC au Laos, au Vietnam), politique étrangère et en matière de défense à l'ère nucléaire et Pacte de Baghdad, OTAN, Pacte de Varsovie
- ORGANISATION DU TRAITÉ DE L'ATLANTIQUE NORD (OTAN), 270-506; voir aussi Chine (République populaire), Chine (République) : Formose), Commonwealth (réunion des premiers ministres), conflit coréen (retrait des forces canadiennes), États-Unis (relations en matière de défense et de sécurité : énergie atomique, défense aérienne continentale—Avro Arrow, consultations stratégiques—sujets examinés; questions économiques : Comité ministériel mixte Canada - États-Unis

sur le commerce et les affaires économiques, câble transatlantique; relations politiques : visite du secrétaire d'État américain, Europe de l'Ouest (Traité de paix de l'Italie, intégration de l'Europe de l'Ouest), Indochine (intervention générale de la CISC), Moyen-Orient (exportation d'armes : Israël), ONU (Assemblée générale : Algérie, membres : admission—consultation), Pacte de Bagdad, politique étrangère et en matière de défense à l'ère nucléaire, Union soviétique (tendances de la politique étrangère, visite du secrétaire d'État aux Affaires extérieures) et voir aussi Allemagne (République fédérale), Belgique, bloc communiste, Danemark, détente, Espagne, États-Unis, France, guerre froide, Italie, Norvège, OECF, OTASE, Pacte de Varsovie, Pays-Bas, Portugal, Royaume-Uni, Turquie, Union soviétique

coopération économique et non militaire, 453-477, 501-504, 506; (projet de) mémoire du Canada au Comité de l'examen annuel, 455-456, 471-473, 476-477; relation avec le GATT, 455-456, 464, 472; relation avec le FMI/la BIRD, 455-456, 464, 472; relation avec le Comité ministériel mixte Canada—États-Unis sur le commerce et les affaires économiques, 461, 471; relation avec l'Article 2 de l'OTAN, 455, 459-461, 469-470; relation avec l'OECF, 455-456, 462-465, 469-470, 472, 502; positions des pays suivants : Belgique, 466; Canada, 458-459, 475-477, 503, 1069, 1073; Grèce, 502; Italie, 474-476, 499, 501-502; Pays-Bas, 502; Portugal, 503-504; résolution adoptée par le Conseil ministériel de l'OTAN (17 déc.), 499

consultation politique, 350-362, 379-443

conférence des chefs de gouvernement, Genève (18-23 juillet), 393-407; attitude de l'Ouest, 404-405; désarmement, 394-398; évaluation, 401-407; évaluation : attitude de l'Allemagne, 405; plan Bulganin, 397-398; plan Eden, 396; plan Eisenhower (« ciels ouverts »), 394-395, 398; plan Faure, 395-396; politique soviétique, 403-404; réunification de l'Allemagne et sécurité en Europe, 398-401

conférence des ministres des Affaires étrangères, Genève (27 oct.—16 nov.), 407-443; analyse canadienne, 429-443; consultations de l'OTAN, 408, 422-424; désarmement, 409-410, 420-422, 424, 428, 435-437, 442; détente, 418, 424-425, 428-430, 437-

441; pacte de la sécurité en Europe, 407-408, 411-413, 430-435; plan Bulganin, 436; plan Eden, 411, 421; plan Eisenhower (« ciels ouverts »), 420-421, 435-436; plan Faure, 421, 436; positions des pays suivants : Allemagne (République fédérale), 408, 417, 431-432, 435; Belgique, 407-408, 414-415, 426-427; Canada, 410-413, 417-422, 426, 440-443; États-Unis, 416, 422-424, 426-427; France, 415-416; Italie, 416, 428; Norvège, 407-408, 417; Pays-Bas, 407-408, 416; Royaume-Uni, 416, 424; Union soviétique, 422, 433, 437-439; réunification de l'Allemagne, 409, 411, 413-414, 422, 425-427, 430-435; UEO : rôle, 409-412, 422

réunion ministérielle du Conseil de l'Atlantique Nord, Paris (9-11 mai), 350-362; désarmement, 353, 357-358; Extrême-Orient, 353, 359-360; Moyen-Orient, 358; politique soviétique : sujet de discussion, 354-355; positions des pays suivants : Allemagne (République fédérale), 352, 355; Belgique, 351, 355, 357, 359-361; Canada, 362; États-Unis, 351, 354, 356; France, 352, 358-359; Pays-Bas, 356, 361; Royaume-Uni, 352; Turquie, 352, 355, 358-359; traité de paix autrichien, 357; traité de paix de l'Italie, 352-353; UEO : relation, 352, 360-362

réunion ministérielle du Conseil de l'Atlantique Nord, Paris (16 juillet), 379-393; « détente » avec l'Union soviétique, 380, 384-388; désarmement, 380-381, 387-388, 390-393; Extrême-Orient, 388; participation de l'Allemagne à l'OTAN, 383, 386; Plan Eden, 380-383; positions des pays suivants : Allemagne (République fédérale), 390; Belgique, 390-391; Canada, 389, 391-393; États-Unis, 387-389; France, 389; Italie, 389-390; Royaume-Uni, 389; sécurité en Europe, 381-387, 390-391; rapport sommaire, 386-393

réunion ministérielle du Conseil de l'Atlantique Nord, Paris (15-16 déc.), 478-506; capacités militaires de l'OTAN : réévaluation, 479-482, 504-505; capacités militaires soviétiques : estimation, 479-480; détente, 489-490; document du Comité militaire M.C. 48, 483, 486-488; Espagne : participation à l'OTAN, 494-495;

- évaluation, 504-506; positions des pays suivants : Allemagne (République fédérale), 491, 494-495, 498; Belgique, 493; Canada, 492-493, 496, 500-501; États-Unis, 489-490; France, 490-491; Italie, 496; Norvège, 495; Pays-Bas, 495-496; Portugal, 493-494; Royaume-Uni, 496-497; Turquie, 491-492; priorités de l'OTAN, 485-489; rapports, 489-504
- état des forces en Allemagne (République fédérale), 362-371
- examen annuel et aide mutuelle, 270-317
- aide mutuelle, 271-317 *passim*; aéronefs : attribution (proposée) à l'Allemagne (République fédérale), 306-313; comparaisons des programmes de 1954-1955, 1955-1956 et 1956-1957, 272, 285-286, 288; positions des pays suivants : Canada, 271-272, 289; États-Unis, 276-277; Turquie, 313-317; programme de l'infrastructure, 299, 301-306; relation avec le Plan Colombo, 271, 286; Section nationale (Canada) de l'OTAN, 289, 291
- examen annuel, 277-284, 290-296; questionnaire de l'examen annuel (QEA) : réponse du Canada, 278-284; ARC, 281-284; MRC, 280-281; programmes du service du QEA : Armée, 279-280; QEA : déclaration au Conseil ministériel de l'OTAN (19 déc.), 500-501; SACEUR : rôle, 279-280; Section nationale (Canada) de l'OTAN, 294-295; Section générale de l'OTAN, 290-291, 295-296; SHAPE : rôle, 282
- procédures d'alerte, 318-349, 518; *voir aussi* Chine (République) : Formose—défense aérienne continentale), États-Unis (relations en matière de défense et de sécurité : consultations stratégiques—sujets examinés)
- Accord tripartite sur les alertes (Canada, Royaume-Uni, États-Unis), 324-349, 518; approche des États-Unis, 333-336, 339-340, 341-344; arrangements canado-américains, 325-326, 346; Commonwealth : relation, 333-335; positions des pays suivants : Canada, 325, 333-334, 338-339, 342, 344; États-Unis, 324, 344-345, 347-349; Royaume-Uni, 325, 331-333, 335-337, 339; procédures d'alerte, 324-330; « renseignement d'indicateur », 328-330; relation avec les alertes de l'OTAN, 326-328, 334, 336, 338-340, 348-349; relation avec l'OTAN, 332-333, 348-349; rôle du CMR (Canada/Royaume-Uni), 329-332, 334-336
- politique de défense :
 modifications des contributions des forces nationales, 372-379
 transfert des forces françaises en Afrique du Nord (Algérie), 372-377, 480; SACEUR : contrôle sur le déploiement des forces de l'OTAN, 372-373; situation marocaine, 376; situation en Tunisie, 375-376
- politique sur les armes nucléaires : conséquences du M.C. 48, 443-448
- réunion des ministres de la Défense de l'OTAN, Paris (10-12 oct.), 448-453;
- ORGANISATION EUROPÉENNE DE COOPÉRATION ÉCONOMIQUE (OECE) : *voir* États-Unis (questions économiques : Comité ministériel mixte Canada—États-Unis sur le commerce et les affaires économiques), Europe de l'Ouest (OECE) et OTAN, Europe de l'Ouest, GATT (9^e séance des Parties contractantes : exemption), OTAN (coopération économique et non militaire)
- ORGANISME DES NATIONS UNIES CHARGÉ DE LA SURVEILLANCE DE LA TRÊVE (EN PALESTINE; ONUST) : *voir* Moyen-Orient (relations israélo-arabes) et Égypte, Israël, Jordanie, réfugiés palestiniens
- OTAN : *voir* Organisation du Traité de l'Atlantique Nord
- OTASE : *voir* Organisation du Traité de l'Asie du Sud-Est

P

- PACTE DE BAGHDAD (24 FÉV.; TRAITÉ IRAQ-TURQUIE DE COOPÉRATION ET DE DÉFENSE MUTUELLE), 1244-1246; *voir* politique étrangère et de défense à l'ère nucléaire, Égypte (visite du ministre des Affaires étrangères) et *aussi* Israël, Moyen-Orient, OTASE, Pacte de Varsovie, Turquie et OTAN, 1245-1246; Iran, Pakistan, et Royaume-Uni : accession tardive, 1245n
- PACTE DE MANILLE (1954) : *voir* OTASE
- PACTE DE VARSOVIE (14 MAI), 1194-1200; *voir aussi* OTAN (consultation politique : réunion ministérielle—juillet), Union soviétique (tendances de la politique étrangère) et *voir aussi* Allemagne (République démocratique), bloc communiste, Bulgarie, Europe de l'Est, guerre froide, OTASE, Pacte de Baghdad, Pologne, propagande, Roumanie, Tchécoslovaquie; conférence du Pacte de Varsovie (11-14 mai), 1194-1200; positions

- des pays suivants : Allemagne (République démocratique), 1196-1197, 1199; Chine (République populaire), 1195; Pologne, 1196; Union soviétique, 1197-1200; sujets examinés : désarmement, 1197
- PAKISTAN : voir Commonwealth (Plan Colombo : Comité consultatif du Commonwealth—rapport, Pakistan; réunion des premiers ministres; statut du Pakistan), Japon (criminels de guerre), Moyen-Orient (relations israélo-arabes), Pacte de Bagdad, *et* Inde
- PAYS-BAS : voir États-Unis (questions économiques : excédents agricoles américains—aide économique américaine), Europe de l'Ouest (OECE : restrictions quantitatives), Japon (criminels de guerre), ONU (FMI), OTAN (coopération économique et non militaire; consultation politique : conférence des ministres des Affaires étrangères, réunion ministérielle—mai, déc.) *et* Benelux
- PEAT : voir Programme élargi d'assistance technique
- PESCADORES : voir Chine (République) : Formose *et* îles côtières
- PÉTROLE : voir États-Unis (questions économiques : restrictions américaines sur les importations; relations politiques : visite du secrétaire d'État américain), Europe de l'Ouest (Traité de l'État autrichien) *et* marchandises
- PHILIPPINES : voir OTASE
- PLAN COLOMBO : voir Commonwealth, conférence de Bandoung, États-Unis (questions économiques : excédents agricoles américains - aide canadienne), ONU (Assemblée générale : membres : admission—consultation), OTAN (examen annuel *et* aide mutuelle : aide mutuelle)
- PLUTONIUM : voir Commonwealth (Plan Colombo : réacteur NRX pour l'Inde), États-Unis (questions économiques : énergie atomique—Accord) *et* énergie atomique, rayonnements atomiques, uranium
- POLITIQUE ÉTRANGÈRE ET EN MATIÈRE DE DÉFENSE À L'ÈRE NUCLÉAIRE, 1640-1658; défense (aérienne) continentale, 1642, 1648-1650; désarmement, 1654-1657; détente, 1642, 1657-1658; dissuasion, 1641-1646; guerre froide, 1642, 1653-1654; guerre locale ou limitée, 1642, 1650-1653; hypothèses politiques, 1643; objectifs de la politique de défense du Canada *et* des pays alliés, 1641-1642; OTAN, 1641-1650; OTASE, 1651-1653; Pacte de Bagdad, 1653
- POLLUTION : voir États-Unis (CMI : pollution transfrontalière) *et* rayonnements atomiques
- POLOGNE : voir Indochine (intervention de la CISC au Cambodge, au Laos, au Vietnam), Pacte de Varsovie *et* voir aussi bloc communiste, Europe de l'Est; discussions commerciales Canada-Pologne (mai 1955), 1132-1135; relations avec le Canada, 1130-1137; représentation diplomatique, 1136-1137; trésors artistiques polonais, 1136-1137; vente de blé canadien, 1130-1131, 1135-1136
- PORTUGAL : voir OTAN (coopération économique *et* non militaire; consultation politique : réunion ministérielle—déc.), ONU (Assemblée générale : membres—admission) *et* Europe de l'Ouest
- PROGRAMME ÉLARGI D'ASSISTANCE TECHNIQUE (PEAT) DE L'ONU : voir ONU (programmes extra-budgétaires)

Q

QUÉBEC : voir États-Unis (questions économiques : fraude en valeurs mobilières; CMI : niveaux du lac Ontario)

R

- RAYONNEMENTS ATOMIQUES : voir ONU (Assemblée générale : rayonnements atomiques, évaluation), États-Unis (relations en matière de défense *et* de sécurité : essais nucléaires) *et* armes atomiques, armes nucléaires, bombe H, énergie atomique, plutonium, pollution, uranium
- RDC : voir Corée (République)
- RÉACTEURS (DE RECHERCHE) NRU/NRX : voir Commonwealth (Plan Colombo : réacteur NRX pour l'Inde), États-Unis (questions économiques : énergie atomique—Accord) *et* CCEA, EAACL, énergie atomique, rayonnements atomiques
- RÉFUGIÉS : voir ONU (Assemblée générale : évaluation), Europe de l'Ouest (Traité de l'État autrichien) *et* réfugiés palestiniens
- RÉFUGIÉS PALESTINIENS : voir conférence de Bandoung, Égypte (visite du ministre des Affaires étrangères), ONU (Assemblée générale : évaluation) *et* Égypte, Israël, Jordanie, Moyen-Orient, ONU, réfugiés, UNRWA
- RÉSEAU D'ALERTE AVANCÉ : voir États-Unis (relations en matière de défense *et* de sécurité : énergie atomique, défense aérienne continentale, DEW, consultations stratégiques : sujets examinés, installations de communications des États-Unis) *et* voir aussi ligne Mid-Canada, ligne Pinetree, réseau d'alerte avancé
- RESTRICTIONS QUANTITATIVES (RQ) : voir Europe de l'Ouest (OECE)
- ROUMANIE : voir ONU (Assemblée générale : membres—admission) *et* bloc communiste, Europe de l'Est, Pacte de Varsovie

ROYAUME-UNI (ROYAUME-UNI) : voir Chine (République : Formose), Commonwealth (Plan Colombo : Comité consultatif du Commonwealth : rapport; réunion des premiers ministres; statut du Pakistan; relations avec les différents pays), conflit coréen (retrait des forces canadiennes), Europe de l'Ouest (Traité de l'État autrichien : intérêts pétroliers; OECE : convertibilité, restrictions quantitatives), GATT (9^e séance des Parties contractantes : exemption), Indochine (intervention de la CISC au Vietnam), Japon (criminels de guerre), Moyen-Orient (relations israélo-arabes; exportation d'armes : consultations—Comité de coordination des armes au Proche-Orient; Israël), OTAN (procédures d'alerte : Accord tripartite sur les alertes; consultation politique : conférence des ministres des Affaires étrangères, réunion ministérielle—mai, juillet, déc.; OTASE, ONU (Assemblée générale : rayonnements atomiques : (ébauche de) résolution, représentation chinoise, désarmement : positions, propositions et résolution, membres : admission; FMI), Pacte de Bagdad et voir aussi CMI, Eden, zone sterling

S

SACEUR : voir Commandant suprême des Forces alliées en Europe
 SAGE : voir système semi-automatique d'infrastructure électronique
 SCANDINAVIE : voir Danemark, Finlande, Norvège, Suède
 SCTT : voir Société canadienne des télécommunications transmarines
 SHAPE : voir Grand Quartier Général des Puissances alliées en Europe
 SOCIÉTÉ CANADIENNE DES TÉLÉCOMMUNICATIONS TRANSMARINES (SCTT) : voir États-Unis (relations en matière de défense et de sécurité : installations de communications américaines; questions économiques : câble transatlantique)
 SOCIÉTÉ RADIO-CANADA (SRC) : voir États-Unis (relations en matière de défense et de sécurité : bases américaines)
 SUÈDE : voir ONU (Assemblée générale : rayonnements atomiques - (ébauche de) résolution), Europe de l'Ouest (OECE : convertibilité, restrictions quantitatives) et Scandinavie
 SUISSE : voir Europe de l'Ouest (OECE : convertibilité, restrictions quantitatives)
 SYSTÈME SEMI-AUTOMATIQUE D'INFRASTRUCTURE ÉLECTRONIQUE (SAGE) : voir États-Unis (relations en matière de défense et de

sécurité : défense aérienne continentale, consultations stratégiques)

T

TCHÉCOSLOVAQUIE : voir Moyen-Orient (exportation d'armes : Égypte) et aussi bloc communiste, Europe de l'Est, guerre froide, Pacte de Varsovie
 TÉLÉCOMMUNICATIONS : voir États-Unis (relations en matière de défense et de sécurité : installations de communications américaines; questions économiques : câble transatlantique)
 TERRITOIRES NON AUTONOMES : voir ONU (Assemblée générale : instructions) et Conseil de tutelle, décolonisation
 THAÏLANDE : voir Commonwealth (Plan Colombo : Comité consultatif du Commonwealth—aide aux pays non membres du Commonwealth), OTASE et Extrême-Orient
 TOGO (BRITANNIQUE/FRANÇAIS) : voir ONU (Assemblée générale : évaluation)
 TRAITÉ DES EAUX LIMITOPHES (1909) ENTRE LE CANADA ET LES ÉTATS-UNIS : voir États-Unis (questions économiques : Voie maritime du Saint-Laurent; CMI : déviation de Chicago, bassin du fleuve Columbia, pollution transfrontalière, niveaux du lac Ontario)
 TUNISIE : voir OTAN (politique de défense : contributions des forces nationales), ONU (Assemblée générale : Algérie) et voir aussi Afrique du Nord, Algérie, décolonisation, autodétermination, France, Libye, Maroc
 TURQUIE : voir conférence de Bandoung, Pacte de Bagdad, OTAN (examen annuel et aide mutuelle : aide mutuelle; consultation politique : réunion ministérielle—mai, déc.) et voir aussi Chypre, Grèce, Iraq, Moyen-Orient

U

UNICEF : voir Fonds des Nations Unies pour l'enfance
 UNION DE L'EUROPE OCCIDENTALE (UEO) : voir Commonwealth (réunion des premiers ministres : sujets examinés), États-Unis (relations politiques : visite du secrétaire d'État américain), Europe de l'Ouest (Traité de pays de l'Italie), OTAN (consultation politique : conférence des ministres des Affaires étrangères, réunion ministérielle : mai, juillet : architecture de la sécurité en Europe)
 UNION EUROPÉENNE DE PAIEMENTS (UEP) : voir Europe de l'Ouest (OECE : convertibilité) et voir aussi convertibilité, devise, dollar, ONU (FMI), zone sterling
 UNION SOVIÉTIQUE : voir Chine (République : Formose), Commonwealth (réunion des premiers ministres; Plan Colombo : réacteur

NRX pour l'Inde), désarmement—positions - résolution, membres : admission), États-Unis (relations en matière de défense et de sécurité : défense aérienne continentale, consultations stratégiques—sujets examinés), Indochine (intervention de la CISC au Vietnam), Europe de l'Ouest (Traité de l'État autrichien), Moyen-Orient (relations israélo-arabes; exportation d'armes : Égypte), ONU (Assemblée générale : évaluation, rayonnements atomiques - (ébauche de) résolution), OTAN (relations en matière de défense : réunion des ministres de la Défense; consultation politique : conférence des ministres des Affaires étrangères; conférence des chefs de gouvernement : évaluation, désarmement; réunion ministérielle—mai, juillet, déc.), Pacte de Varsovie et *voir aussi* bloc communiste, Bulganin, Europe de l'Est

accord commercial, 1164-1166, 1174-1194; comptes rendus des négociations de Moscou, 1183-1192; dispositions principales, 1192-1194; relation avec le GATT, 1190, 1193; représentants commerciaux de l'Union soviétique au Canada, 1179-1182; vente de blé à l'Union soviétique, 1177-1178, 1182, 1185, 1187, 1189, 1191, 1193

tendances de la politique étrangère, 1138-1159; bombe H, 1146-1147; Chine (République) : attitude de l'Union soviétique, 1140, 1143, 1146; détente, 1140, 1142, 1144, 1147, 1149-1150, 1155-1157; Europe : politique à l'égard de l'Union soviétique, 1145-1150; Khrouchtchev, 1139-1141, 1146; Malenkov, 1138-1141; OTAN, 1156, 1158-1159; Pacte de Varsovie, 1149; réactions canadiennes, 1155-1159; Traité de l'État autrichien, 1145; Yougoslavie, 1140, 1145

Allemagne (République fédérale) : et l'OTAN, 1147-1148, 1152-1154, 1174; réarmement, 1139-1141, 1143, 1146, 1149; relations diplomatiques, 1151-1154

visite du secrétaire d'État aux Affaires extérieures (5-12 oct.), 1159-1175; avec Kaftanov (10 oct.), 1168-1169; avec Khrouchtchev (14 oct.), 1169-1174; avec Molotov (10 oct.), 1164-1167; comptes rendus des réunions de Pearson : avec Molotov, (6 oct.) 1161-1163;

sujets examinés : accord aérien, 1166-1167; bombe H, 1173; Chine, 1163; désarmement, 1162, 1166, 1172-1173; détente, 1162, 1171; échange de renseignements, 1165-1166, 1168;

Indochine, 1162-1163; OTAN, 1169-1172; réunion des ministres des Affaires étrangères de Genève, 1161-1162, 1170

UNITED STATES ATOMIC ENERGY COMMISSION (USAEC) : *voir* Commonwealth (Plan Colombo : réacteur NRX pour l'Inde), États-Unis (questions économiques : énergie atomique - Accord, fourniture d'uranium)

UNREF : *voir* Fonds des Nations Unies pour les réfugiés

UNRWA : *voir* Office de secours et de travaux des Nations Unies pour les réfugiés de Palestine

URANIUM : *voir* Commonwealth (Plan Colombo : réacteur NRX pour l'Inde), États-Unis (questions économiques : énergie atomique—Accord, approvisionnement en uranium; relations en matière de défense et de sécurité : énergie atomique), OTAN (examen annuel et aide mutuelle : aide mutuelle - aéronaves ou uranium) et *voir aussi* énergie atomique, plutonium, rayonnements atomiques
USAEC : *voir* United States Atomic Energy Commission

V

VIETNAM (RÉPUBLIQUE DÉMOCRATIQUE; DU NORD) : *voir* conférence de Bandoung, États-Unis (relations en matière de défense et de sécurité : consultations stratégiques—sujets examinés; relations politiques : visite du secrétaire d'État américain), Indochine (intervention de la CISC au Vietnam) et *voir aussi* Cambodge, Extrême-Orient, Laos, Thaïlande, Vietnam (République)

VIETNAM (RÉPUBLIQUE; DU SUD) : *voir* Commonwealth (Plan Colombo : Comité consultatif du Commonwealth—aide aux pays non membres du Commonwealth), conférence de Bandoung, Indochine (intervention de la CISC au Vietnam), États-Unis (relations en matière de défense et de sécurité : consultations stratégiques—sujets examinés; relations politiques : visite du secrétaire d'État américain), ONU (Assemblée générale : membres—admission) et *voir aussi* Cambodge, Extrême-Orient, Laos, Thaïlande, Vietnam (République démocratique) reconnaissance, 1503-1508

Y

YALTA (FÉV. 1945) : *voir* États-Unis (relations politiques : visite du secrétaire d'État américain)

YUGOSLAVIE : *voir* Union soviétique (tendances de la politique étrangère) et bloc communiste, détente, Europe de l'Est, guerre froide

Z

ZONE STERLING : *voir* Europe de l'Ouest
(OECE : convertibilité) *et* convertibilité, de-
vise, ONU (FMI), UEP

INDEX

A

- ADVISORY COMMITTEE ON NORTHERN DEVELOPMENT: *see under* US (defence and security relations: Frobisher Bay)
- ADVISORY COMMITTEE ON WATER USES POLICY: *see under* US (IJC: cross-border pollution)
- ADVISORY PANEL ON ATOMIC ENERGY (APAE): *see under* US (defence and security relations: atomic energy; economic issues: atomic energy—Agreement)
- AECB: *see* Atomic Energy Control Board
- AECL: *see* Atomic Energy of Canada Ltd.
- AFGHANISTAN: *see under* Commonwealth (Colombo Plan: Commonwealth Consultative Committee—instructions)
- AFRICA: *see* Algeria, Egypt, Libya, Morocco, North Africa, South Africa, Togoland, Tunisia
- AGRICULTURE: *see under* GATT (9th session of the Contracting Parties: waiver), US (economic issues: Joint Canada-US Ministerial Committee on Trade and Economic Affairs, US agricultural surpluses, US restrictions on trade - commodities) and *see* commodities, CWB, IWA, wheat
- AIRCRAFT: *see under* Commonwealth (Colombo Plan—India), Middle East (export of arms: Egypt), NATO (annual review and mutual aid: mutual aid), US (defence and security relations: continental air defence, strategic consultations: topics discussed) and *see* arms, Avro Arrow, continental air defence, disarmament, missiles
- AIR DEFENCE: *see* continental air defence
- ALERTS: *see under* China (Republic: Formosa—continental air defence), NATO (alerts procedures)
- ALBANIA: *see under* UN (General Assembly: members—admission)
- ALGERIA: *see under* NATO (defence policy: national force contributions), UN (General Assembly: Algeria, assessment, members: admission) and *see* decolonization, France, Libya, Morocco, Middle East, North Africa, Tunisia
- ANNUAL REVIEW (NATO): *see under* NATO (annual review and mutual aid)
- APAE: *see* Advisory Panel on Atomic Energy
- ARCTIC (SOVEREIGNTY): *see under* Soviet Union (visit of the Secretary of State for External Affairs: topics discussed), US (political relations)
- ARGENTINA: *see under* US (economic issues: US agricultural surpluses—wheat-exporting countries) and *see* South America
- ARMS: *see under* Indochina (ICSC operation in Vietnam), Middle East (export of arms) and *see* aircraft, atomic weapons, Avro Arrow, BOMARC missiles, disarmament, H-bomb, missiles, NIKE missiles, nuclear weapons, SPARROW II missiles, TALOS missiles, UN (General Assembly: disarmament)
- ARROW: *see* Avro Arrow
- ATOMIC ENERGY: *see under* Commonwealth (Colombo Plan: NRX reactor to India), Egypt (visit of foreign minister), UN (General Assembly: assessment, disarmament, instructions), US (defence and security relations: atomic energy; economic issues: atomic energy; IJC: Columbia River system: hydroelectric development), Western Europe (Western European integration) and *see* AECB, AECL, APAE, atomic radiation, atomic weapons, CDA, H-bomb, NRU/NRX reactors, nuclear weapons, plutonium, uranium, UN (General Assembly: atomic radiation), USAEC
- ATOMIC ENERGY CONTROL BOARD (AECB), 55; *see also* Commonwealth (Colombo Plan: NRX reactor for India), US (economic issues: atomic energy—Agreement) and *see* atomic energy, atomic radiation, atomic weapons, H-bomb, nuclear weapons, 85
- ATOMIC ENERGY OF CANADA LTD. (AECL): *see under* Commonwealth (Colombo Plan: NRX reactor for India), US (economic issues: atomic energy—Agreement) and *see* atomic energy, atomic radiation
- ATOMIC RADIATION: *see under* UN (General Assembly: atomic radiation, assessment), US (defence and security relations: nuclear testing) and *see* atomic energy, atomic weapons, H-bomb, nuclear weapons, plutonium, pollution, uranium
- ATOMIC (NUCLEAR) WEAPONS: *see under* China (Republic: Formosa), defence and foreign policy in the nuclear age, NATO (defence policy: nuclear weapons policy), UN (General Assembly: disarmament—nuclear weapons), US (political relations: strategic consultations, visit of US Secretary of State) and *see* aircraft, arms, atomic energy, atomic radiation, H-bomb, nuclear weapons
- AVRO ARROW (CF-105): *see under* US (defence and security relations: continental air defence, strategic consultations - topics discussed)
- AUSTRALIA: *see under* China (Peoples Republic), China (Republic: Formosa), Commonwealth (meeting of Prime Ministers), GATT (9th session of the Contracting Parties: waiver), Japan (war criminals), Korean

conflict (withdrawal of Canadian forces), SEATO, UN (General Assembly: atomic radiation—(draft) resolution, members: admission; IMF) and *see* Commonwealth, Far East, New Zealand

AUSTRIA: *see under* NATO (political consultation: ministerial meeting—May), Soviet Union (foreign policy trends), UN (General Assembly: members—admission), Western Europe (Austrian State Treaty, OEEC: quantitative restrictions)

B

BAGHDAD PACT: (Feb. 24; Iraqi-Turkish treaty of mutual co-operation and defence), 1244-1246; *see under* defence and foreign policy in the nuclear age, Egypt (visit of foreign minister) and *see also* Israel, Middle East, SEATO, Turkey, Warsaw Pact; and NATO, 1245-1246; Iran, Pakistan, and UK: later accession to, 1245n

BALANCE OF PAYMENTS: *see* convertibility, currency, dollar, EPU. Sterling area, UN (IMF)

BANDUNG CONFERENCE OF NON-ALIGNED MOVEMENT (APRIL 18-24), 17, 1615-1625; *see under* China (Republic: Formosa), Commonwealth (Colombo Plan: Commonwealth Consultative Committee—report; Colombo Plan: NRX reactor for India), Indochina (ICSC operation in Cambodia, Laos), UN (General Assembly: assessment, members—admission) and *see* decolonization; and Colombo Plan, 1615-1618; and SEATO, 1616, 1620-1621; positions of: Cambodia, 1624; Canada, 1624; Ceylon, 1623-1624; China (Peoples Republic), 1621-1622; Egypt, 1623; India, 1615, 1617, 1622-1623; Indonesia, 1623-1624; Laos, 1624; Turkey, 1623; Vietnam (Democratic Republic), 1624; topics discussed: China (Peoples Republic/Republic), 1616; cultural co-operation, human rights and self-determination, colonialism, 1618-1619; disarmament, 1620; economic co-operation, 1618; Indochina, 1615; Palestine problem, 1619; UN membership: problem of admission to, 1619-1620; world peace and co-operation, 1619-1620

BANGKOK CONFERENCE OF SEATO POWERS (FEB. 23-25): *see under* China (Republic: Formosa—SEATO) and *see* SEATO

BARBADOS: *see* British West Indies

BELGIUM: *see under* China (Peoples Republic: recognition), GATT (9th session of the Contracting Parties: waiver), Middle East (export of arms: consultations), NATO (economic and non-military co-operation; political consultation: conference of foreign ministers, ministerial meeting—May, July, Dec.), UN

(IMF), Western Europe (OEEC: quantitative restrictions; Western European integration) and *see* Benelux countries

BENELUX COUNTRIES: *see under* Western Europe (OEEC: convertibility) and *see* Belgium, Netherlands

BOMARC LONG-RANGE MISSILES: *see under* US (defence and security relations: continental air defence—missiles, strategic consultations—topics discussed) and *see* missiles

BOUNDARY WATERS TREATY (1909) OF CANADA AND THE US: *see under* US (economic issues: St. Lawrence Seaway; IJC: Chicago diversion, Columbia River system, cross-border pollution, Lake Ontario levels)

BRAZIL: *see under* GATT (9th session of the Contracting Parties: waiver) and *see* South America

BRITISH WEST INDIES, 656-659

BRITISH COLUMBIA: *see under* US (IJC: Columbia River system)

BULGANIN, MARSHAL N.A. (PREMIER OF THE SOVIET UNION): *see under* NATO (political consultation: conference of foreign ministers, conference of heads of governments), UN (General Assembly: disarmament) and *see* Communist bloc, disarmament, Eastern Europe, Soviet Union

BULGARIA: *see under* UN (General Assembly: members—admission) and *see* Communist bloc, Eastern Europe, Warsaw Pact

BURMA: *see under* Commonwealth (Colombo Plan: Commonwealth Consultative Committee—aid to non-Commonwealth countries)

C

CANADIAN ARMY: *see under* NATO (annual review and mutual aid: annual review)

CANADIAN COMMERCIAL CORPORATION: *see under* Middle East (export of arms: Israel)

CANADIAN OVERSEAS TELECOMMUNICATIONS CORPORATION (COTC): *see under* US (defence and security relations: US communications facilities; economic issues: trans-Atlantic cable)

CANADIAN BROADCASTING CORPORATION (CBC): *see under* US (defence and security relations: US bases)

CANADIAN WHEAT BOARD (CWB): *see under* US (economic issues: agricultural surpluses) and *see* commodities, IWA, wheat

CAMBODIA: *see under* Bandung conference, Commonwealth (Colombo Plan: Commonwealth Consultative Committee—aid to non-Commonwealth countries; relations with individual countries: India—visit of Krishna Menon), Indochina (ICSC operation

- in Cambodia), UN (General Assembly: members—admission) and *see* Far East, Laos, Vietnam
- CCC: *see* Commodity Credit Corporation (US)
- CDA: *see* Combined Development Agency
- CENTRAL INTELLIGENCE AGENCY (CIA) (US): *see under* Indochina (ICSC operations in Cambodia) and *see* US
- CEYLON: *see under* Bandung conference, Commonwealth (Colombo Plan), UN (General Assembly: members—admission)
- CF-105: *see* Avro Arrow
- CHINA (PEOPLES REPUBLIC; COMMUNIST): *see under* China (Republic: Formosa), Commonwealth (meeting of Prime Ministers: topics discussed; relations with individual countries: India - visit of Krishna Menon), Indochina (ICSC operation in Cambodia: Bandung conference, Laos: Bandung conference), UN (General Assembly: assessment, atomic radiation), US (defence and security relations: strategic consultations - topics discussed; political relations: visit of the US Secretary of State), Warsaw Pact and *see also* Far East, Outer Mongolia
- recognition of, 1571-1588; concerted action with Australia and New Zealand, 1574-1575; détente, 1573; Formosa crisis: relation to, 1573, 1577; Indochina: relation to situation in, 1573; Korean conflict: relation to, 1573, 1576-1577; NATO concept: non-applicability to Far East, 1583; positions of: Australia, 1575; Belgium, 1575-1576; Canada, 1572-1575, 1578-1588; France, 1574; India, 1577; US, 1571-1572, 1581-1588; UN: admission to, 1576
- CHINA (REPUBLIC; NATIONALIST): *see under* Bandung conference (positions, topics discussed), Commonwealth (meeting of Prime Ministers: topics discussed; relations with individual countries: India—visit of Krishna Menon), Soviet Union (foreign policy trends, visit of the Secretary of State for External Affairs: topics discussed), UN (General Assembly: Chinese representation, members: admission; IMF), US (defence and security relations: strategic consultations - topics discussed; political relations: visit of the US Secretary of State) and *see* China (Peoples Republic), Far East
- Formosa and coastal islands: crisis regarding, 1508-1571; atomic weapons: possible use of, 1522, 1530, 1549-1551; atomic weapons: tactical nuclear weapons, 1554-1562; Bandung conference: relation to, 1565-1566; cease-fire agreement: considerations regarding, 1509, 1526, 1535, 1565, 1568; coastal islands (Matsu islands, Quemoy, Tachen islands): role of, 1508, 1515, 1517-1518, 1522-1526, 1528, 1534-1535, 1539, 1541, 1553, 1560, 1563-1564, 1571; Commonwealth: consultations of, 1517-1518 (Feb. 6), 1537-1538 (Feb. 15-16); continental air defence: alert of, 1532-1533; détente: emergence of, 1567, 1570; Formosa and Pescadores: role of, 1515, 1520, 1528, 1539; Formosa Strait: draft declaration regarding proposed 3-Power International Commission, 1539-1540; Formosa Strait: proposals for 3-Power International Commission to supervise neutralization of, 1513-1514, 1537-1539, 1542-1545; Indochina conflicts: relation to, 1510; Korean conflict: relation to, 1510, 1553, 1559; NATO: relation to, 1527, 1533, 1552, 1555, 1557, 1559; positions of: Australia, 1545, 1560, 1563; Canada, 1516-1519, 1525-1526, 1529-1532, 1542-1545, 1552, 1555-1556; China (Peoples Republic), 1508, 1537; India, 1517, 1522, 1534-1536, 1540-1541, 1567-1571; Soviet Union, 1523, 1529, 1553, 1561; UK, 1514-1519, 1523, 1536, 1554-1556; US, 1508-1511, 1520-1523, 1528-1529, 1532, 1547-1562; SEATO, 1541(n); Security Council: New Zealand proposals, 1521(n), 1545-1546; Security Council: and Chinese (Peoples Republic), 1537, 1546; US airmen: release of, 1567, 1569-1571;
- CIA: *see* Central Intelligence Agency
- COLD WAR: *see under* defence and foreign policy in the nuclear age and *see* Communist bloc, détente, Eastern Europe, NATO, SEATO, Warsaw Pact
- COLOMBO PLAN: *see under* Bandung conference, Commonwealth, NATO (annual review and mutual aid: mutual aid), UN (General Assembly: members: admission—consultation), US (economic issues: US agricultural surpluses—Canadian aid)
- COLOMBIA: *see under* US (economic issues: US agricultural surplus - US economic aid) and *see* South America
- COMBINED DEVELOPMENT AGENCY (CDA): *see under* US (economic issues: atomic energy—Agreement, uranium supply)
- COMMODITIES : *see under* GATT (9th session of the Contracting Parties: waiver—major Canadian commodities including almonds, apples, barley, blueberries, cattle, cheese, cotton, dairy products, eggs, filberts, flaxseed, linseed oil, maple sugar, oats, peanuts,

- oil, potatoes, rye, wheat, and flour) negotiations with US: negotiations: canned ham, carbon tetrachloride, eggs, fox furs, methanol, slippers, soybeans, upper leather, wallpaper), US (economic issues: US agricultural surpluses, US restrictions on imports (alsike clover seed, hardboard, lead, (crude) oil, potato grade standards, rye, zinc)); political relations: visit of US Secretary of State: topics discussed—trade) and *see* exports, imports
- COMMONWEALTH, 507-659; *see under* China (Peoples Republic), China (Republic), Korean conflict (withdrawal of Canadian forces), NATO (alerts procedures: Tripartite Alerts Agreement), UN (General Assembly: Chinese representation, members: admission—consultation) and *see also* Australia, Ceylon, India, New Zealand, Pakistan, South Africa, UK
- Colombo Plan, 539-639
- Canadian contribution to, 539-544
- Ceylon: aid programme for, 568-571
- Commonwealth Consultative Committee for South East Asia: meeting in Singapore (Oct. 17-21), 545-567
- aid to non-Commonwealth countries: Burma, 546, 550-552; Cambodia, 546-547, 552-554; Indonesia, 546-548, 554-555; Laos, 546, 555-557; Malaya, 546, 557-559; Thailand, 546; Vietnam (Republic); 546, 559-560
- instructions for Canadian delegation to, 545-550; admission of new members: Afghanistan, 547-548, France, 548;
- report of Canadian delegation to, 550-567; assessment of, 561-564, 1174; Bandung conference, 563; positions of: Canada, 561, 565-566; India, 563-564; Pakistan, 563-564; Singapore, 562; UK, 561-562; US, 564;
- India, 571-629; aid programme for, 571-577
- NRX reactor for India, 573, 577-629, 651; AECB: role of, 582; AECL: role of, 582-584, 603-607, 609, 611-613, 616, 621; Bandung conference: atomic energy at, 586-587; commercial benefits of, 578-579, 583, 590, 595, 625; Colombo Plan, 579, 584, 588, 590-592, 594-596, 598-599, 604, 611, 627; draft proposal for, 593-594; financial aspects of, 580-581, 584-585, 588, 594-595, 597, 602, 604, 607-608, 611, 628; international control of atomic energy: implications for, 578, 605-606, 608, 612-624, 626-629; official Canadian offer, 598-599, 610, 617, 627; official Canadian offer: Indian acceptance of, 609, 627; NRU instead of NRX reactor: Indian requests for, 600-604; plutonium: production of, 605-608, 611, 615, 619, 628; security issues, 578-579, 582, 587, 603, 612, 622, 626-627; Soviet reaction, 592, 599-600, 615, 625; training of Indian personnel, 582, 584-585, 588-590, 596; uranium production, 583, 623, 625; USAEC, 612-613, 616, 626
- Pakistan, 629-639, 1174;
- meeting of Prime Ministers (Jan. 31-Feb. 8), 507-538; communiqué, 516, 524; positions of: Australia, 534, 537; Canada, 513, 521, 523, 529, 532-533, 535-537; India, 509, 512, 514-515, 517, 519, 526-531, 533-535; Pakistan, 512-513, 527, 530, 533-534; Soviet Union, 517; UK, 509-510, 517-518, 520-524, 530-532, 534; US, 510, 515, 517; summary report on, 525-538
- topics discussed: China (Republic/Peoples Republic), 508-509, 512-526, 528-529; constitutional issues, 527; economic and financial questions, 512, 532-533; Far East, 516-524, 526-528, 534, 537; GATT, 508, 512, 532; H-bomb, 510-511, 530-531, 536-538; Indochina, 526, 528, 534-536; Middle East, 519-520, 530, 536; NATO, 519, 529, 536; WEU, 519, 529
- Pakistan's status within the Commonwealth, 533, 640-645; positions of: Canada, 641-642, 645; India, 642; UK, 643-644
- relations with individual countries, 646-659
- India: visit of Krishna Menon (June), 646-649; topics discussed: Cambodia, 649; China (Republic/Peoples Republic), 647; Indochina, 648-648; Laos, 649; visit of the Secretary of State for External Affairs to India (Oct. 24-Nov. 6): discussion on Indochina, 650-651
- UK: export subsidies for coal, 651-656; and GATT, 652, 655
- COMMUNIST BLOC: *see* Bulganin, Bulgaria, Czechoslovakia, détente, Germany (Democratic Republic), Hungary, Indochina (ICSC operation in Laos: Pathet Lao),

- Khrushchev, Korea (Peoples Republic), Poland, Rumania, Soviet Union, Vietnam (Democratic Republic), Warsaw Pact, Yugoslavia
- CONTINENTAL AIR DEFENCE: *see under* China (Republic: Formosa), defence and foreign policy in the nuclear age, US (defence and security relations: continental air defence, strategic consultations)
- CONVERTIBILITY OF CURRENCIES: *see under* UN (IMF), US (economic issues: Joint Canada-US Ministerial Committee on Trade and Economic Affairs), Western Europe (OEEC) and *see* currency, dollar, Sterling area
- COTC: *see* Canadian Overseas Telecommunications Corporation
- CURRENCY: *see under* UN (IMF), Western Europe (OEEC: convertibility, quantitative restrictions) and *see* convertibility, dollar, EPU, Sterling area
- CUSTOMS: *see under* US (economic issues: Joint Canada-US Ministerial Committee on Trade and Economic Affairs, St. Lawrence Seaway), Western Europe (OEEC: Western European integration)
- CWB: *see* Canadian Wheat Board
- CYPRUS: *see under* UN (General Assembly: instructions) and *see* decolonization, Greece, Turkey
- CZECHOSLOVAKIA: *see under* Middle East (export of arms: Egypt) and *see* cold war, Communist bloc, Eastern Europe, Warsaw Pact
- D**
- DECOLONIZATION: *see under* UN (General Assembly: assessment, instructions, members: admission) and *see* Algeria, Bandung conference, dependent territories, Cyprus, Morocco, self-determination, Trusteeship Council, Tunisia, West New Guinea
- DEFENCE AND FOREIGN POLICY IN THE NUCLEAR AGE, 1640-1658; aims of Canadian and allied defence policy, 1641-1642; Baghdad Pact, 1653; cold war, 1642, 1653-1654; continental (air) defence, 1642, 1648-1650; détente, 1642, 1657-1658; deterrence, 1641-1646; disarmament, 1654-1657; limited or local warfare, 1642, 1650-1653; NATO, 1641-1650; political assumptions, 1643; SEATO, 1651-1653
- DEFENCE RESEARCH BOARD (DRB), 85
- DENMARK: *see under* NATO (status of forces in Germany: Canadian chairmanship), UN (General Assembly: atomic radiation - (draft) resolution), Western Europe (OEEC: convertibility, quantitative restrictions) and *see* Scandinavia
- DEPENDENT TERRITORIES: *see under* UN (General Assembly: instructions) and *see* decolonization, Trusteeship Council
- DÉTENTE ("SPIRIT OF GENEVA"): *see under* China (Peoples Republic), China (Republic: Formosa), defence and foreign policy in the nuclear age, Indochina (ICSC operation in Vietnam), NATO (political consultation: conference of foreign ministers, ministerial meeting—July, Dec.), Soviet Union (foreign policy trends, visit of the Secretary of State for External Affairs), UN (General Assembly: assessment), US (defence and security relations: continental air defence; strategic consultations—topics discussed) and *see* cold war, Communist bloc, Eastern Europe, NATO, Warsaw Pact
- DEW: *see* Distant Early Warning System
- DISARMAMENT: *see under* Bandung conference, defence and foreign policy in the nuclear age, NATO (political consultation: conference of foreign ministers, conference of heads of government, Geneva, ministerial meeting—May, July), Soviet Union (visit of the Secretary of State for External Affairs: topics discussed), UN (General Assembly), US (defence and security relations: continental air defence, strategic consultations—topics discussed), Warsaw Pact (topics discussed) and *see* aircraft, arms, atomic weapons, Bulganin, Eden, Eisenhower, Faure, Middle East (export of arms: consultations), missiles, nuclear weapons, Soviet Union (foreign policy trends: Germany)
- DISARMAMENT COMMISSION: *see under* UN (General Assembly: disarmament)
- DISTANT EARLY WARNING (DEW) SYSTEM: *see under* US (defence and security relations: atomic energy, continental air defence, DEW System, strategic consultations: topics discussed, US communications facilities) and *see* early warning system, Mid-Canada line, Pinetree line
- DIXON ENTRANCE: *see under* US (territorial waters)
- DOLLAR: *see under* Western Europe (OEEC: quantitative restrictions) and *see* convertibility, currency, Sterling area, UN (IMF)
- DRB: *see* Defence Research Board
- DULLES, JOHN F. (US SECRETARY OF STATE): *see under* Middle East (Arab-Israeli relations) and *see* US
- E**
- EASTERN EUROPE: official visits, 1127-1130; *see also* Bulgaria, cold war, Communist bloc, Czechoslovakia, détente, Germany

(Democratic Republic), Hungary, NATO, Poland, Rumania, Soviet Union, Warsaw Pact, Western Europe, Yugoslavia

ECONOMIC AND SOCIAL COUNCIL (ECOSOC) OF THE UN: *see under* UN (General Assembly: elections)

EDEN, SIR ANTHONY (BRITISH FOREIGN SECRETARY): *see under* Indochina (ICSC operation in Vietnam—elections), NATO (political consultation: conference of foreign ministers, conference of heads of government, ministerial meeting: July - Eden plan) and *see* disarmament, UK

EGYPT: *see under* Bandung conference, Middle East (Arab-Israeli relations, export of arms) and *see also* Baghdad Pact, Israel, Palestine refugees, Suez canal;

visit of foreign minister to Ottawa (June 28-30), 1234-1236; topics discussed: atomic energy, 1236; Baghdad Pact, 1234; Palestine refugees, 1235; visit of Secretary of State for External Affairs to Cairo (Nov. 10-22), 1174, 1236-1241; export of arms, 1238; immigration, 1238; record of conversation with Prime Minister Colonel Gamal Abdel Nasser (Nov. 10), 1239-1241; relations with, 1236-1237;

EISENHOWER, DWIGHT D. (US PRESIDENT): *see under* NATO (conference of foreign ministers, conference of heads of governments: disarmament), UN (General Assembly: disarmament—proposals) and *see* disarmament, US

ESKIMOS: *see* Inuit

ETAP: *see* Expanded Program of Technical Assistance

EUROPE: *see* Benelux countries, Eastern Europe, EPU, NATO, Scandinavia, Warsaw Pact, Western Europe

EUROPEAN PAYMENTS UNION (EPU): *see under* Western Europe (OEEC: convertibility) and *see* convertibility, currency, dollar, Sterling area, UN (IMF)

EXPANDED PROGRAM OF TECHNICAL ASSISTANCE (ETAP) OF THE UN: *see under* UN (extra-budgetary programmes)

EXPORTS: *see* commodities, GATT, imports, US (economic issues: US restrictions on imports)

F

FALCON AIR-BASED MISSILES: *see under* US (defence and security relations: continental air defence, strategic consultations)

FAR EAST, 1247-1639; *see under* China (Peoples Republic), Commonwealth (meeting of

Prime Ministers: topics discussed), immigration, NATO (political consultation: ministerial meeting—May, July), US (defence and security relations: strategic consultations—topics discussed) and *see also* Australia, Bandung conference, Cambodia, China (Republic), Colombo Plan, immigration, Indochina, Indonesia, Japan, Korean conflict, Laos, Malaya, Nepal, New Zealand, SEATO, Singapore, Thailand, Vietnam (Democratic Republic/Republic); immigration from the Far East, 1613-1614

FAURE, EDGAR (FRENCH PRIME MINISTER): *see under* NATO (political consultation: conference of foreign ministers, conference of heads of governments: disarmament) and *see* disarmament, France

FINLAND: *see under* UN (General Assembly: members—admission) and *see* Scandinavia

FORMOSA (AND COASTAL ISLANDS): *see under* China (Republic)

FRANCE: *see under* China (Peoples Republic), Commonwealth (Colombo Plan: Commonwealth Consultative Committee—instructions), GATT (9th session of the Contracting Parties: waiver), Indochina (ICSC operation in Vietnam), Japan (war criminals), Middle East (export of arms: consultations - Near East Arms Co-ordinating Committee), NATO (defence policy: national force contributions; political consultation: conference of foreign ministers, ministerial meeting—May, July, Dec.), SEATO, UN (General Assembly: Algeria—positions, assessment, disarmament—positions; IMF), US (economic issues: US agricultural surplus), Western Europe (OEEC: convertibility, quantitative restrictions; Western European integration) and *see* Algeria, Faure, Morocco, Tunisia

G

GAZA INCIDENT: *see under* Middle East (Arab-Israeli relations, export of arms: Israel) and *see* Israel

GENERAL AGREEMENT ON TARIFFS AND TRADE (GATT): *see also under* Commonwealth (meeting of Prime Ministers: topics discussed; relations with individual countries: UK), NATO (economic and non-military co-operation), Soviet Union (trade agreement), UN (IMF: currency convertibility), US (economic issues: Joint Canada-US Ministerial Committee on Trade and Economic Affairs, St. Lawrence Seaway, US agricultural surpluses, US restrictions on imports), Western Europe (OEEC: convertibility, quantitative restrictions; Western European

- integration) and *see* commodities, export, import
- 4th Round of multilateral tariff negotiations, 228-230
- 9th session of the Contracting Parties and revision of agreement, 184-225; assessment of revised GATT, 221-225;
- waiver (GATT article XI) for agricultural products demanded by US, 184-221; GATT approval of, 220; GATT debate regarding, 215-217; Japan: and tariff negotiations with, 185; meeting of Canadian-American ministers regarding, 195-201
- major Canadian export commodities involved: almonds, 192; apples, 193; barley (malt), 189, 191, 193; blueberries, 193; cattle, 193; cheese, 193; cotton, 192; dairy products, 192; eggs, 193; filberts, 192; flaxseed, 192; linseed oil, 192; maple sugar, 193; oats, 189, 191, 193; peanuts (peanut oil), 192; potatoes, 193; rye, 189, 191, 193; wheat (flour), 191, 193
- positions of: Australia, 201; Belgium, 201-202, 210; Brazil, 216; Canada, 184-185, 187-197, 204-212, 214-216, 218-221; France, 216-217; Germany (Federal Republic), 201-202, 210; UK, 186-187, 202, 216, 219; US, 184, 189-190, 197-200, 202-203, 213, 215
- 10th session of the Contracting Parties, 225-227
- negotiations with US and Japan, 231-243; negotiations with US, 237-238 (canned ham, carbon tetrachloride, eggs, fox furs, methanol, slippers, soybeans, upper leather, wallpaper), 234-236, (fishsticks) 239-242; negotiations with Japan (flaxseed, hides, platinum, logs), 236-237; instructions for negotiations: with Japan, 231-233, with US, 233-234; summary report regarding, 241-243
- GENERAL ASSEMBLY OF THE UN: *see under* UN
- GENEVA CONFERENCE OF FOREIGN MINISTERS (OCT. 27-NOV. 16): *see under* NATO (political consultation), Soviet Union (visit of the Secretary of State for External Affairs: topics discussed)
- GENEVA CONFERENCE OF HEADS OF GOVERNMENTS (JULY 18-23): *see under* NATO (political consultation)
- "GENEVA SPIRIT": *see* détente
- GERMANY (FEDERAL REPUBLIC; WEST): *see under* GATT (9th session of the Contracting Parties: waiver), NATO (annual review and mutual aid: mutual aid—aircraft; political consultation: conference of foreign ministers: positions—German re-unification, conference of heads of government, ministerial meeting—May, July, Dec.; status of forces in Germany), Soviet Union (foreign policy trends), UN (General Assembly: membership—admission; IMF), US (economic issues: US agricultural surpluses—US economic aid; political relations: visit of US Secretary of State), Western Europe (OEEC: convertibility, quantitative restrictions) and *see* Germany (Democratic Republic)
- GERMANY (DEMOCRATIC REPUBLIC; EAST): *see under* NATO (political consultation: conference of foreign ministers—German re-unification), UN (General Assembly: membership—admission), US (political relations: visit of US Secretary of State), Warsaw Pact and *see* cold war, Communist bloc, détente, Eastern Europe, Germany (Federal Republic)
- GREECE: *see under* NATO (economic and non-military co-operation) and *see* Cyprus, Turkey
- ## H
- H-BOMB (HYDROGEN BOMB): *see* China (Republic: Formosa—atomic weapons), Commonwealth (meeting of Prime Ministers: topics discussed), Soviet Union (foreign policy trends, visit of the Secretary of State for External Affairs: topics discussed), UN (General Assembly: atomic radiation) and *see* arms, atomic energy, atomic weapons, détente, disarmament, nuclear weapons
- HECATE STRAIT: *see* US (territorial waters)
- HUMAN RIGHTS (ISSUES): *see under* Bandung conference, UN (General Assembly: assessment, instructions)
- HUNGARY: *see under* UN (General Assembly: members—admission) and *see* cold war, Communist bloc, détente, Eastern Europe
- ## I
- ICBM: *see* Intercontinental Ballistic Missiles
- IBRD: *see* International Bank for Rehabilitation and Development
- ICELAND: *see under* UN (General Assembly: atomic radiation - (draft) resolution)
- ICSC: *see* International Commissions for Supervision and Control in Cambodia, Laos and Vietnam
- IJC: *see* International Joint Commission
- IMF: *see* International Monetary Fund
- IMMIGRATION: *see under* Commonwealth (relations with individual countries: British West Indies), Egypt (visit of Secretary of State for External Affairs), Far East, Japan, US

- (economic issues: St. Lawrence Seaway), Western Europe
- INDIA:** *see under* Bandung conference, China (Peoples Republic), China (Republic: Formosa), Commonwealth (Colombo Plan: Commonwealth Consultative Committee, India, NRX reactor for India; meeting of Prime Ministers; Pakistan's status; relationship with individual countries), Indochina (ICSC operation in Cambodia: Bandung conference, position; ICSC operation in Laos: Bandung conference, position; ICSC operation in Vietnam, position), UN (General Assembly: atomic radiation—(draft) resolution, disarmament: positions, resolution; instructions; members: admission; IMF) and *see* Pakistan
- INDOCHINA:** *see under* Bandung conference, China (Peoples Republic), China (Republic: Formosa), Commonwealth (meeting of Prime Ministers; relations with individual countries: India—visit of Krishna Menon—visit of Secretary of State for External Affairs), Soviet Union (visit of the Secretary of State for External Affairs: topics discussed), US (political relations: visit of US Secretary of State—Laos, Vietnam) and *see also* Cambodia, Far East, Japan, Laos, Thailand, Vietnam
- ICSC: operations throughout Indochina, 1397-1398, 1422-1424, 1439, 1488-1490; NATO Council meeting: Canadian statement at, 1295-1302
- ICSC: operations in Cambodia, 1301, 1408-1442
- Bandung conference, 1412
- CIA, 1439
- elections, 1431-1434, 1436-1438
- future of, 1421-1423, 1428
- Interim Reports: Fourth, 1431-1434, 1436-1438
- positions of: Cambodia, 1430, 1434-1435; Canada, 1409-1410, 1414-1415, 1417-1418, 1420-1427, 1441-1442; India, 1413-1415, 1419-1420, 1441; Poland, 1413; US, 1410-1412, 1414-1415, 1420-1421
- US military aid agreement (MAA) with Cambodia, 1408-1421, 1431;
- ICSC: operation in Laos, 1298-1301, 1427, 1442-1502
- Bandung conference, 1412
- cease-fire: Indian resolution regarding, 1495-1501(n)
- elections, 1451-1452, 1458, 1462, 1469, 1489
- ICSC in Laos: (draft) resolutions of, 1443-1446, 1473, 1475-1476, 1481-1482, 1486-1487, 1495-1497, 1500; legal competence of, 1458-1461, 1478; meetings of, 1442-1443, 1449-1450, 1498-1499; role of, 1484-1485
- military settlement, 1459, 1462-1463, 1482-1483
- Northern provinces (Phong Saly, Sam Neua): restoration of royal administration in, 1442-1450, 1458, 1462, 1469-1470, 1475-1477, 1479-1482, 1496-1497; military and administrative control of, 1266, 1274, 1276, 1298-1299, 1386, 1451, 1468-1469, 1483
- Pathet Lao: role of, 1445-1447, 1454, 1456-1457, 1468-1469
- political settlement: (Indian) plan for, 1455-1469, 1488, 1496-1497
- positions of: Canada, 1443-1444, 1447-1448, 1454, 1458-1461, 1465-1467, 1470-1472, 1474-1475, 1478-1481, 1488-1494, 1497-1501; India, 1445-1446, 1448-1449, 1455-1457, 1459, 1461-1464, 1470-1473, 1482-1483, 1493-1494; Laos (RLG), 1456-1457, 1468-1469, 1471(n), 1475, 1477, 1486-1487, 1489; Poland, 1449-1450; US, 1453, 1501-1502
- SEATO, 1451, 1490
- ICSC: operation in Vietnam, 1247-1408**
- armed forces: regroupment of, 1268-1269, 1298, 1323, 1335
- arms: smuggling of, 1268-1269, 1323
- Christian population: special problem of, 1254-1255
- civilian internees, 1325, 1328
- demarcation line, 1328, 1335
- democratic freedoms and liberties, 1268, 1271-1273, 1297, 1325, 1328-1329, 1335-1336
- détente: relation to, 1395
- elections, 1256-1261, 1265-1267, 1275-1278, 1286-1290, 1302-1303, 1315-1321, 1331-1332, 1337-1339, 1343-1344, 1352-1355, 1385-1386, 1388-1391; positions of: Vietnam (Democratic Republic), 1315-1316, 1331; Vietnam (Republic), 1286-1287, 1310, 1316-1317, 1332, 1339, 1346-1348, 1352(n)-1358, 1383, 1390-1391
- freedom of movement: in North Vietnam, 1247-1256, 1267-1268, 1270-1271, 1278-1285, 1290-1294, 1304-1305, 1307-1308, 1311-1315, 1325-1326, 1329-1330, 1333-1335, 1340-1342, 1344-1345, 1348-1351, 1360-1363; Committee on Freedoms:

- recommendations of, 1261-1263, 1293, 1350-1351, 1358-1359, 1361, 1376-1377; positions of: Vietnam (Democratic Republic), 1247-1252, 1261, 1267-1268, 1271-1272, 1278, 1283-1285, 1290-1291, 1293, 1308; Vietnam (Republic), 1340; publicity: need for, 1312-1313, 1345
- future of ICSC, 1268-1273, 1322-1332, 1367-1368, 1402-1407
- incidents: investigations of: at Ba-Lang, 1253-1254; at Chi Hoa, 1292, 1306, 1325; at Poulo Condore, 1292, 1306, 1325; in the North, 1401; in the South, 1313, 1400-1401; in general, 1340, 1349-1350, 1362, 1384-1385, 1392-1395, 1400-1402
- Interim Reports: Third, 1304; Fourth, 1349, 1351-1353, 1365-1370, 1374-1376, 1379-1382
- Korean conflict: relation to, 1395-1396, 1402-1403, 1407
- military bases, 1324, 1328
- positions of: Canada, 1254-1259, 1266-1267, 1276-1278, 1282, 1286-1292, 1307-1308, 1310-1311, 1314-1315, 1321, 1334-1340, 1341-1344, 1348-1349, 1355-1356, 1359-1363, 1369-1373, 1375-1377, 1386-1387, 1395-1400; France, 1304, 1306, 1308, 1312, 1314, 1317, 1324, 1333; India, 1252-1253, 1259-1261, 1275, 1292-1294, 1296, 1304, 1308, 1314, 1318-1319, 1326, 1352, 1363-1367, 1380, 1382, 1404-1405; Poland, 1305-1306, 1308, 1326, 1403; Soviet Union, 1403; UK, 1291-1292; US, 1260, 1273-1274(n), 1317, 1388-1389, 1391, 1399-1400
- prisoners of war, 1268-1270, 1324, 1328
- Saigon riot, 1346-1348, 1350, 1356, 1368, 1372, 1375
- SEATO: relation to, 1265, 1273-1274, 1287, 1337, 1407
- subversion, 1329, 1331
- UN: possible relation to, 1337
- INDONESIA: *see under* Bandung conference, Commonwealth (Colombo Plan: Commonwealth Consultative Committee—aid to non-Commonwealth countries) and *see* Far East
- INTERCONTINENTAL BALLISTIC MISSILES (ICBM): *see under* UN (General Assembly: disarmament) and *see* aircraft, arms, disarmament, missiles
- INTERNATIONAL BANK FOR REHABILITATION AND DEVELOPMENT (IBRD): *see under*
- NATO (economic and non-military co-operation)
- INTERNATIONAL COMMISSIONS FOR SUPERVISION AND CONTROL IN CAMBODIA, LAOS AND VIETNAM (ICSC; CANADA, INDIA, POLAND): *see under* Indochina, US (defence and security relations: strategic consultations; political relations: visit of US Secretary of State)
- INTERNATIONAL JOINT COMMISSION (IJC): *see under* US (economic issues: St. Lawrence Seaway; IJC)
- INTERNATIONAL MONETARY FUND (IMF): *see under* NATO (economic and non-military co-operation), UN (IMF), Western Europe (OEEC: convertibility, quantitative restrictions)
- INTERNATIONAL WHEAT AGREEMENT (IWA): *see under* US (economic issues: US agricultural surpluses) and *see* commodities, CWB, wheat
- INUIT: *see under* US (defence and security relations: DEW System)
- IRAN: *see under* Baghdad Pact and *see* Middle East
- IRAQ: *see under* Baghdad Pact and *see* Middle East
- IRELAND: *see under* UN (General Assembly: members—admission) and *see* Western Europe
- ISRAEL: *see under* Middle East (Arab-Israeli relations, export of arms), US (economic issues: US agricultural surplus—US economic aid) and *see* Palestine refugees, Suez canal, UNTSO; visit of foreign minister to Ottawa (Dec. 1-2), 1241-1244; topics discussed: Suez canal problems, 1242-1243
- ITALY: *see under* NATO (economic and non-military co-operation; political consultation: conference of foreign ministers, ministerial meeting—July, Dec.), UN (General Assembly: members—admission; IMF), US (economic issues: US agricultural surplus—US economic aid), Western Europe (Italian Peace Treaty)
- IWA: *see* International Wheat Agreement

J

- JAMAICA: *see* British West Indies
- JAPAN: *see under* GATT (9th session of the Contracting Parties: waiver; negotiations with US and Japan), UN (General Assembly: members—admission; IMF) immigration from, 1634-1639; return of former residents and special cases, 1634-1635, 1638-1639

war criminals: clemency for, 1626-1634; list of, 1627; positions of: Australia, 1627, 1631; Canada, 1628-1630, 1632; France, 1627, 1631; Netherlands, 1631, 1633; New Zealand, 1631; Pakistan, 1627, 1631; UK, 1627, 1629, 1631; US, 1627-1631, 1633

JOINT INTELLIGENCE BUREAU (JIB): *see under* Middle East (export of arms: Egypt, Israel)

JOINT INTELLIGENCE COMMITTEE (JIC; CANADA/UK): *see under* NATO (alerts procedures: Tripartite Alerts Agreement)

JORDAN: *see under* UN (General Assembly: members—admission) and *see* Middle East, Palestine refugees, UNTSO

K

KHRUSHCHEV, NIKITA (FIRST SECRETARY OF THE COMMUNIST PARTY OF THE SOVIET UNION): *see under* Soviet Union (foreign policy trends; visit of the Secretary of State for External Affairs) and *see* Communist bloc, Eastern Europe, Warsaw Pact

KOREA (REPUBLIC OF—ROK; SOUTH): *see* UN (General Assembly: members—admission), US (defence and security relations: strategic consultations—topics discussed; political relations: visit of US Secretary of State) and *see* Far East, Korea (Democratic Republic), Korean conflict

KOREA (DEMOCRATIC PEOPLE'S REPUBLIC; NORTH): *see under* US (defence and security relations: strategic consultations - topics discussed; political relations: visit of US Secretary of State) and *see* Communist bloc, Far East, Korea (Republic)

KOREAN CONFLICT, 1589-1613; *see also under* China (Peoples Republic), China (Republic: Formosa), Indochina (ICSC operation in Vietnam), UN (General Assembly: assessment, instructions) and *see* Far East

withdrawal of Canadian forces, 1589-1613; Commonwealth consultations regarding, 1591-1592, 1595-1599; Commonwealth note to US, 1611-1612; Commonwealth role, 1604, 1608-1611; Commonwealth force, 1608-1609, 1612; NATO: role of commitments, 1612; NNSC: role of, 1589-1591; positions of: Australia, 1592, 1594, 1609; Canada, 1594-1596, 1598-1603, 1605-1607, 1612-1613; New Zealand, 1592, 1610; South Africa, 1590; UK, 1592-1597, 1609-1610; US, 1592, 1600-1601, 1604-1605; SEATO: role of, 1592

L

LATIN AMERICA: *see* South America

LAOS: *see under* Bandung conference, Commonwealth (Colombo Plan: Commonwealth Consultative Committee—aid to non-Commonwealth countries; relations with individual countries: India—visit of Krishna Menon), Indochina (ICSC operations in Cambodia, Laos, Vietnam), RLG, UN (General Assembly: members—admission), US (defence and security relations: strategic consultations—topics discussed; political relations: visit of US Secretary of State) and *see* Cambodia, Far East, Vietnam

LIBYA: *see under* UN (General Assembly: members—admission) and *see* Algeria, France, Egypt, Morocco, Middle East, North Africa, Tunisia

M

MALAYA: *see under* Commonwealth (Colombo Plan: Commonwealth Consultative Committee—aid to non-Commonwealth countries) and *see* Far East

MALENKOV, GEORGII (PREMIER OF THE SOVIET UNION): *see under* Soviet Union (foreign policy trends)

MANILA PACT (1954): *see* SEATO

MESSINA CONFERENCE (JUNE 1-2): *see under* Western Europe (Western European integration)

MID-CANADA LINE: *see under* US (defence and security relations: continental air defence, DEW System, radar defence system, strategic consultations—topics discussed) and *see* DEW System, early warning system, Pinetree line

MIDDLE EAST, 1201-1246; *see also under* Commonwealth (meeting of Prime Ministers: topics discussed), NATO (political consultation: ministerial meeting—May) and *see* Algeria, Baghdad Pact, Egypt, Gaza incident, Iran, Iraq, Israel, Jordan, Morocco, Libya, North Africa, Pakistan, Palestine refugees, Tunisia, Turkey, UNTSO

Arab-Israeli relations, 1222-1234; Bat Galim case (Israeli shipping in Suez Canal), 1222, 1224; Dulles, proposals by J. F., 1229-1233, 1240; Gaza incident, 1225-1229; positions of: Canada, 1231-1234; Egypt, 1226, 1231-1232; Israel, 1226-1227, 1232; Pakistan, 1232; Soviet Union, 1227; UK, 1227, 1230-1231; US, 1227, 1229-1230

export of arms, 1201-1221

consultations regarding, 1201-1204; Near East Arms Coordinating Committee (France, UK, US): Canadian membership in, 1202-1203

- Egypt, 1204-1210, 1238; and sales of Canadian aircraft to, 1204-1208; and Czechoslovakian arms sales, 1208-1210, 1217, 1220, 1243; JIB: evaluation of, 1205; Soviet arms sales to, 1207-1208
- Israel: and Canadian arms, 1210-1221; Canadian Commercial Corporation: role of, 1212, 1218-1219, 1221; Gaza incident: relation to, 1212; JIB: estimates, 1214-1215, 1218-1219; NATO: relation to, 1220; positions of: UK, 1211, 1214; US, 1211, 1214
- MILITARY STUDY GROUP (MSG): *see under* US (defence and security relations: continental air defence)
- MISSILES: *see under* US (defence and security relations: continental air defence, strategic consultations) and *see* aircraft, arms, BOMARC missiles, disarmament, FALCON missiles, ICBM, NIKE missiles, SIDEWINDER missiles, SPARROW II missiles, TALOS missiles
- MOROCCO: *see under* UN (General Assembly: Algeria, instructions) and *see* Algeria, decolonization, France, Libya, Middle East, North Africa, self-determination, Tunisia
- MSG: *see* Military Study Group
- N**
- NATO: *see* North Atlantic Treaty Organization
- NEAR EAST ARMS CO-ORDINATING COMMITTEE (FRANCE, UK, US): *see under* Middle East (export of arms: consultations)
- NEPAL: *see under* UN (General Assembly: members—admission) and *see* Far East
- NETHERLANDS: *see under* Japan (war criminals), NATO (economic and non-military co-operation; political consultation: conference of foreign ministers, ministerial meeting—May, Dec.), UN (IMF), US (economic issues: US agricultural surplus—US economic aid), Western Europe (OEEC: quantitative restrictions) and *see* Benelux countries
- NEUTRAL NATIONS SUPERVISORY COMMISSION (NNSC): *see under* Korean conflict (withdrawal of Canadian forces)
- NEW ZEALAND: *see under* China (Peoples Republic), China (Republic: Formosa), Japan (war criminals), Korean conflict (withdrawal of Canadian forces), SEATO and *see* Australia, Commonwealth, Far East
- NEW YORK POWER AUTHORITY: *see under* US (economic issues: St. Lawrence Seaway, IJC: Lake Ontario levels)
- NIKE MISSILES: *see under* US (defence and security relations: continental defence—missiles) and *see* arms, missiles, disarmament
- NON-ALIGNED MOVEMENT: *see under* Bandung conference and *see* UN (General Assembly: members—admission: Bandung powers)
- NORTH AFRICA: *see under* NATO (defence policy: national force contributions—transfer of French forces) and *see* Algeria, decolonization, France, Libya, Middle East, Morocco, self-determination, Tunisia
- NORTH ATLANTIC TREATY ORGANIZATION (NATO), 270-506; *see also under* Baghdad Pact, China (Peoples Republic), China (Republic: Formosa), Commonwealth (meeting of Prime Ministers), defence and foreign policy in the nuclear age, Indochina (ICSC general operation), Korean conflict (withdrawal of Canadian forces), Middle East (export of arms: Israel), Soviet Union (foreign policy trends, visit of the Secretary of State for External Affairs), UN (General Assembly: Algeria, members: admission—consultation), US (defence and security relations: atomic energy, continental air defence—Avro Arrow, strategic consultations—topics discussed; economic issues: Joint Canada-US Ministerial Committee on Trade and Economic Affairs, trans-Atlantic cable; political relations: visit of the US Secretary of State), Western Europe (Italian Peace Treaty, Western European integration) and *see also* Belgium, cold war, Communist bloc, détente, Denmark, France, Germany (Federal Republic), Italy, Netherlands, Norway, OEEC, Portugal, SEATO, Soviet Union, Spain, Turkey, Warsaw Pact, UK, US
- alerts procedures, 318-349, 518; *see also under* China (Republic: Formosa—continental air defence), US (defence and security relations: strategic consultations—topics discussed)
- Tripartite Alerts Agreement (Canada, UK, US), 324-349, 518; alerts procedures, 324-330; approach to US, 333-336, 339-340, 341-344; Canadian-US arrangements, 325-326, 346; Commonwealth: relation to, 333-335; "indicator intelligence", 328-330; JIC (Canada/UK): role of, 329-332, 334-336; NATO alerts: relation to, 326-328, 334, 336, 338-340, 348-349; NATO: relation to, 332-333, 348-349; positions of: Canada, 325, 333-334, 338-339, 342, 344; UK, 325, 331-333, 335-337, 339; US, 324, 344-345, 347-349

- annual review and mutual aid, 270-317
- annual review, 277-284, 290-296; annual review questionnaire (ARQ): Canadian reply to, 278-284; ARQ service programmes: Army, 279-280; RCAF, 281-284; RCN, 280-281; ARQ: statement at NATO Ministerial Council (Dec. 19), 500-501; NATO Country Chapter (Canada), 294-295; NATO General Chapter, 290-291, 295-296; SACEUR: role of, 279-280; SHAPE: role of, 282
 - mutual aid, 271-317 *passim*; aircraft: (proposed) allocation to Germany (Federal Republic), 306-313; Colombo Plan: relation to, 271, 286; comparisons of the 1954-1955, 1955-1956, and 1956-1957 programmes, 272, 285-286, 288; infrastructure programme, 299, 301-306; NATO Country Chapter (Canada), 289, 291; positions of: Canada, 271-272, 289; US, 276-277; Turkey, 313-317
- defence policy:
- meeting of NATO defence ministers, Paris (Oct. 10-12), 448-453;
 - national force contributions alterations, 372-379
 - transfer of French forces to North Africa (Algeria), 372-377, 480; Moroccan situation, 376; SACEUR: control over deployment of NATO forces, 372-373; Tunisian situation, 375-376
 - nuclear weapons policy: implications of M.C. 48, 443-448
- economic and non-military co-operation, 453-477, 501-504, 506; Canadian (draft) memorandum to Annual Review Committee, 455-456, 471-473, 476-477; GATT: relation to, 455-456, 464, 472; IMF/IBRD: relation to, 455-456, 464, 472; Joint Canada-US Ministerial Committee on Trade and Economic Affairs: relation to, 461, 471; NATO Article 2, 455, 459-461, 469-470; OEEC: relation to, 455-456, 462-465, 469-470, 472, 502; positions of: Belgium, 466; Canada, 458-459, 475-477, 503, 1069, 1073; Greece, 502; Italy, 474-476, 499, 501-502; Netherlands, 502; Portugal, 503-504; resolution adopted by NATO Ministerial Council (Dec. 17), 499
- political consultation, 350-362, 379-443
- conference of foreign ministers, Geneva (Oct. 27-Nov. 16), 407-443; Bulganin plan, 436; Canadian analysis of, 429-443; détente, 418, 424-425, 428-430, 437-441; disarmament, 409-410, 420-422, 424, 428, 435-437, 442; Eden plan, 411, 421; Eisenhower plan ("open skies"), 420-421, 435-436; European security pact, 407-408, 411-413, 430-435; Faure plan, 421, 436; German re-unification, 409, 411, 413-414, 422, 425-427, 430-435; NATO consultations regarding, 408, 422-424; positions of: Belgium, 407-408, 414-415, 426-427; Canada, 410-413, 417-422, 426, 440-443; France, 415-416; Germany (Federal Republic), 408, 417, 431-432, 435; Italy, 416, 428; Netherlands, 407-408, 416; Norway, 407-408, 417; Soviet Union, 422, 433, 437-439; UK, 416, 424; US, 416, 422-424, 426-427; WEU: role of, 409-412, 422
 - conference of heads of government, Geneva (July 18-23), 393-407; assessment, 401-407; assessment: German attitude, 405; Soviet policy, 403-404; Western attitude, 404-405; disarmament, 394-398; Bulganin plan, 397-398; Eden plan, 396; Eisenhower plan ("open skies"), 394-395, 398; Faure plan, 395-396; German reunification and European security, 398-401
- ministerial meeting of the North Atlantic Council, Paris (May 9-11), 350-362; Austrian peace treaty, 357; disarmament, 353, 357-358; Far East, 353, 359-360; Italian peace treaty, 352-353; Middle East, 358; positions: Belgium, 351, 355, 357, 359-361; Canada, 362; France, 352, 358-359; Germany (Federal Republic), 352, 355; Netherlands, 356, 361; Turkey, 352, 355, 358-359; UK, 352; US, 351, 354, 356; Soviet policy: discussion of, 354-355; WEU: relation to, 352, 360-362
- ministerial meeting of the North Atlantic Council, Paris (July 16), 379-393; "détente" with the Soviet Union, 380, 384-388; disarmament, 380-381, 387-388, 390-393; Eden Plan, 380-383; European security, 381-387, 390-391; Far East, 388; German membership in NATO, 383, 386; positions of: Belgium, 390-391; Canada, 389, 391-393; France, 389; Germany (Federal Republic), 390; Italy, 389-390; UK, 389; US, 387-389; summary report on, 386-393

ministerial meeting of the North Atlantic Council, Paris (Dec. 15-16), 478-506; assessment, 504-506; détente, 489-490; military capabilities of NATO: re-assessment of, 479-482, 504-505; Military Committee Document M.C. 48, 483, 486-488; priorities within NATO, 485-489; positions: Belgium, 493; Canada, 492-493, 496, 500-501; France, 490-491; Germany (Federal Republic), 491, 494-495, 498; Italy, 496; Norway, 495; Netherlands, 495-496; Portugal, 493-494; Turkey, 491-492; UK, 496-497; US, 489-490; reports on, 489-504; Soviet military capabilities: estimate of, 479-480; Spain: membership in NATO, 494-495

status of forces in Germany (Federal Republic), 362-371

NORTH PACIFIC FUR SEALS CONFERENCE: *see under* US economic issues: pelagic sealing

NORWAY: *see under* NATO (political consultations: conference of foreign ministers, ministerial meeting: Dec.), UN (General Assembly: atomic radiation—(draft) resolution), Western Europe (OEEC: quantitative restrictions) and *see* Scandinavia

NRU/NRX (RESEARCH) REACTORS: *see under* Commonwealth (Colombo Plan: NRX reactor for India), US (economic issues: atomic energy—Agreement) and *see* ACEB, ACEL, atomic energy, atomic radiation

NUCLEAR (ATOMIC) WEAPONS: *see under* China (Republic: Formosa), defence and foreign policy in the nuclear age, NATO (defence policy: nuclear weapons policy), UN (General Assembly: disarmament), US (defence and security relations: continental air defence, strategic consultations; political relations: visit of the US Secretary of State) and *see* arms, atomic weapons, disarmament, H-bomb

O

OIL: *see under* US (economic issues: US restrictions on imports; political relations: visit of the US Secretary of State), Western Europe (Austrian State Treaty) and *see* commodities

ONTARIO: *see under* US (economic issues: St. Lawrence Seaway; IJC: cross-border pollution, Lake Ontario levels) and *see* Ontario Hydro

ONTARIO HYDRO: *see under* US (economic issues: St. Lawrence Seaway; IJC: Lake Ontario levels)

ORGANIZATION FOR EUROPEAN ECONOMIC CO-OPERATION (OEEC): *see under* GATT (9th session of the Contracting Parties: waiver), NATO (economic and non-military co-operation), US (economic issues: Joint Canada-US Ministerial Committee on Trade and Economic Affairs), Western Europe (OEEC) and *see* NATO, Western Europe

OUTER MONGOLIA: *see under* UN (General Assembly: members - admission) and *see* China (Peoples Republic), Far East

P

PAKISTAN: *see under* Baghdad Pact, Commonwealth (Colombo Plan: Commonwealth Consultative Committee—report, Pakistan; meeting of Prime Ministers; Pakistan's status), Japan (war criminals), Middle East (Arab-Israeli relations) and *see* India

PALESTINE REFUGEES: *see under* Bandung conference, Egypt (visit of foreign minister), UN (General Assembly: assessment) and *see* Egypt, Israel, Jordan, Middle East, refugees, UNRWA(PR), UNTSO

PERMANENT JOINT BOARD ON DEFENCE (PJBD): *see under* US (defence and security relations: continental air defence, DEW System, experimental sounding station, US communications facilities)

PESCADORES: *see under* China (Republic): Formosa and coastal islands

PHILIPPINES: *see under* SEATO

PINETREE LINE: *see under* US (defence and security relations: continental air defence, DEW System, radar defence system, strategic consultations—topics discussed, US communications facilities) and *see* early warning system, DEW, Mid-Canada line

PLUTONIUM: *see under* Commonwealth (Colombo Plan: NRX reactor for India), US (economic issues: atomic energy—Agreement) and *see* atomic energy, atomic radiation, uranium

POLAND: *see under* Indochina (ICSC operation in Cambodia, Laos, Vietnam), Warsaw Pact and *see also* Communist bloc, Eastern Europe; relations with Canada, 1130-1137; sale of Canadian wheat to, 1130-1131, 1135-1136; Canadian-Polish trade discussions (May 1955), 1132-1135; diplomatic representation, 1136-1137; Polish art treasures, 1136-1137

POLLUTION: *see under* US (IJC: cross-border pollution) and *see* atomic radiation

PORTUGAL: *see under* NATO (economic and non-military co-operation; political consultation: ministerial meeting—Dec.), UN

(General Assembly: members—admission) and *see* Western Europe

Q

QUANTITATIVE RESTRICTIONS (QR): *see under* Western Europe (OEEC)

QUÉBEC: *see under* US (economic issues: securities fraud; IJC: Lake Ontario levels)

R

REFUGEES: *see under* UN (General Assembly: assessment), Western Europe (Austrian State Treaty) and *see* Palestine refugees

ROK: *see* Korea (Republic)

ROYAL CANADIAN AIR FORCE (RCAF): *see under* NATO (annual review and mutual aid: annual review)

ROYAL CANADIAN NAVY (RCN): *see under* NATO (annual review and mutual aid: annual review)

ROYAL LAOTIAN GOVERNMENT (RLG): *see under* Indochina (ICSC operations in Laos), and *see* Laos

RUMANIA: *see under* UN (General Assembly: members—admission) and *see* Communist bloc, Eastern Europe, Warsaw Pact

S

SACEUR: *see* Supreme Allied Commander, Europe

SAGE: *see* semi-automatic ground environment

SCANDINAVIA: *see* Denmark, Finland, Norway, Sweden

SEATO: *see* South-East Asian Treaty Organization

SELF-DETERMINATION: *see under* Bandung conference, UN (General Assembly: Algeria) and *see* decolonization, Trusteeship Council

SEMI-AUTOMATIC GROUND ENVIRONMENT (SAGE): *see* US (defence and security relations: continental air defence, strategic consultations)

SHAPE: *see* Supreme Headquarters, Allied Powers, Europe

SIDEWINDER MISSILES: *see under* US (defence and security relations: strategic consultations)

SOUTH AMERICA: *see under* UN (General Assembly: assessment) and *see* Argentina, Brazil, Colombia

SOUTH AFRICA: *see* Korean conflict (withdrawal of Canadian forces), UN (General Assembly: assessment, instructions) and *see* Commonwealth

SOUTH-EAST ASIA: *see* Commonwealth (Colombo Plan: Commonwealth Consultative Committee), SEATO

SOUTH-EAST ASIAN TREATY ORGANIZATION (SEATO; AUSTRALIA, FRANCE, NEW ZEALAND, PAKISTAN, PHILIPPINES, THAILAND, UK, US): *see under* Bandung conference, Bangkok conference, China (Republic: Formosa), defence and foreign policy in the nuclear age, Indochina (ICSC operation in Laos, Vietnam), Korean conflict (withdrawal of Canadian forces) and *see* Baghdad Pact, NATO, Warsaw Pact

SOVIET BLOC: *see* Communist bloc

SOVIET UNION: *see also under* China (Republic: Formosa), Commonwealth (meeting of Prime Ministers; Colombo Plan: NRX reactor for India), Indochina (ICSC operation in Vietnam), Middle East (Arab-Israeli relations; export of arms: Egypt), NATO (defence relations: meeting of defence ministers; political consultation: conference of foreign ministers; conference of heads of governments: assessment, disarmament; ministerial meeting—May, July, Dec.), UN (General Assembly: assessment, atomic radiation—(draft) resolution), disarmament—positions—resolution, members: admission), US (defence and security relations: continental air defence, strategic consultations—topics discussed), Warsaw Pact, Western Europe (Austrian State Treaty) and *see* Bulganin, Communist bloc, Eastern Europe foreign policy trends, 1138-1159; Austrian State Treaty, 1145; Canadian reactions to, 1155-1159; China (Republic): Soviet attitude to, 1140, 1143, 1146; détente, 1140, 1142, 1144, 1147, 1149-1150, 1155-1157; Europe: Soviet policy in, 1145-1150; H-bomb, 1146-1147; Khrushchev, 1139-1141, 1146; Malenkov, 1138-1141; NATO, 1156, 1158-1159; Warsaw Pact, 1149; Yugoslavia, 1140, 1145

Germany (Federal Republic): and NATO, 1147-1148, 1152-1154, 1174; diplomatic relations with, 1151-1154; rearmament of, 1139-1141, 1143, 1146, 1149

trade agreement with, 1164-1166, 1174-1194; GATT: relation to, 1190, 1193; main provisions of, 1192-1194; records of Moscow negotiations regarding, 1183-1192; Soviet trade representatives in Canada, 1179-1182; wheat sale to, 1177-1178, 1182, 1185, 1187, 1189, 1191, 1193

visit of the Secretary of State for External Affairs (Oct. 5-12), 1159-1175; reports of Pearson's meetings: with Molotov, (Oct. 6) 1161-1163; with Molotov (Oct.

- 10), 1164-1167; with Kaftanov (Oct. 10), 1168-1169; with Khrushchev (Oct. 14), 1169-1174)
 topics discussed: air agreement, 1166-1167; China, 1163; détente, 1162, 1171; disarmament, 1162, 1166, 1172-1173; exchange of information, 1165-1166, 1168; Geneva meeting of foreign ministers, 1161-1162, 1170; H-bomb, 1173; Indochina, 1162-1163; NATO, 1169-1172
- SPAIN: *see under* NATO (political consultation: ministerial meeting—Dec.), UN (General Assembly: members—admission) and *see* Western Europe
- SPARROW II GUIDED AIR-TO-AIR MISSILES: *see under* US (defence and security relations: continental air defence, strategic consultations) and *see* arms, missiles
- SPECIAL UNITED NATIONS FUND FOR ECONOMIC DEVELOPMENT (SUNFED): *see under* UN (General Assembly: assessment, instruction)
- STERLING AREA: *see under* Western Europe (OEEC: convertibility) and *see* convertibility, currency, EPU, UN (IMF)
- SUEZ CANAL: *see under* Israel, Middle East (Arab-Israeli relations: Bat Galim case) and *see* Egypt
- SUPREME ALLIED COMMANDER, EUROPE (SACEUR): *see under* NATO (annual review and mutual aid: annual review; defence policy: national force contribution), UN (General Assembly: Algeria)
- SUPREME HEADQUARTERS, ALLIED POWERS, EUROPE (SHAPE): *see under* NATO (annual review and mutual aid: annual review)
- SWEDEN: *see under* UN (General Assembly: atomic radiation - (draft) resolution), Western Europe (OEEC: convertibility, quantitative restrictions) and *see* Scandinavia
- SWITZERLAND: *see under* Western Europe (OEEC: convertibility, quantitative restrictions)

T

- TALOS MISSILES: *see under* US (defence and security relations: continental defence—missiles) and *see* missiles
- TECHNICAL ASSISTANCE: *see under* Commonwealth (Colombo Plan: Commonwealth Consultative Committee—instructions, report)
- TELECOMMUNICATIONS: *see* US (defence and security relations: US communications facilities; economic issues: trans-Atlantic cable)
- THAILAND: *see under* Commonwealth (Colombo Plan: Commonwealth Consultative Committee—aid to non-Commonwealth countries), SEATO and *see* Far East
- TOGOLAND (BRITISH/FRENCH): *see under* UN (General Assembly: assessment)
- TRUSTEESHIP COUNCIL: *see under* UN (General Assembly: elections) and *see* Algeria, Cyprus, decolonization, Morocco, New West Guinea, self-determination, Tunisia
- TUNISIA: *see under* NATO (defence policy: national force contributions), UN (General Assembly: Algeria) and *see* Algeria, decolonization, France, Libya, North Africa, Morocco, self-determination
- TURKEY: *see under* Bandung conference, Baghdad Pact, NATO (annual review and mutual aid: mutual aid; political consultation: ministerial meeting—May, Dec.) and *see* Cyprus, Greece, Iraq, Middle East

U

- UNICEF: *see* United Nations International Children's Emergency Fund
- UNITED KINGDOM (UK): *see under* Baghdad Pact, China (Republic: Formosa), Commonwealth (Colombo Plan: Commonwealth Consultative Committee: report; meeting of Prime Ministers; Pakistan's status; relations with individual countries), GATT (9th session of the Contracting Parties: waiver), Indochina (ICSC operation in Vietnam), Japan (war criminals), Korean conflict (withdrawal of Canadian forces), Middle East (Arab-Israeli relations; export of arms: consultations—Near East Arms Co-ordinating Committee; Israel), NATO (alerts procedures: Tripartite Alerts Agreement; political consultation: conference of foreign ministers, ministerial meeting—May, July, Dec.; SEATO, UN (General Assembly: atomic radiation: (draft) resolution), Chinese representation, disarmament:—positions, proposals and resolution, members: admission; IMF), Western Europe (Austrian State Treaty: oil interests; OEEC: convertibility, quantitative restrictions) and *see* Eden, JIC, Sterling area
- UNITED NATIONS (UN), 1-269; *see also under* Bandung conference, China (Peoples Republic), China (Republic: Formosa), Indochina (ICSC operation in Vietnam), Korean conflict, NATO (political consultation: conference of foreign ministers), Soviet Union (visit of the Secretary of State for External Affairs), Western Europe (Austrian State Treaty) and *see* ECE, GATT, Trusteeship Council

- extra-budgetary programmes: Canadian contributions to, 176-183; ETAP, 176-179, 183; UNICEF, 179-180, 183; UNRWA(PR), 180-183; UNREF, 182-183
- General Assembly: 10th session of, 1-176
- Algeria, 7, 155-162; *see also under* assessment: Algeria, members: admission *below* and *see* decolonization; NATO: relation to, 156, 159-161; positions of: Canada, 157-160; France, 155-157, 161-162; SACEUR: relation to, 156, 160; self-determination, 158-159; Tunisia and Morocco issue, 156-158, 160
- assessment, 167-176; atomic energy and radiation, 173-174; Algeria, 169-170; Chinese representation, 171; decolonization, 170; détente ("Geneva spirit"), 168-169, 173; human rights, 175-176; Korean conflict, 174; Palestine refugees, 170-171; positions of: Bandung powers, 172; France, 169; refugee question, 175; "small power revolt", 172-173; social and economic questions at, 174-175; South Africa, 169; South American countries, 172; Soviet Union, 171-172; US, 172; Western powers, 171; SUNFED, 175; Togoland (British/French): future of, 176
- atomic radiation: effects of, 5, 71-83; H-bomb testing, 71-72; positions of: Canada, 75-76, 82; UK, 75-76, 83; US, 75-76, 83; (proposed) UN Committee for the study of harmful effects of, 71-74; resolution (913 (X), Dec. 3) regarding: drafted by Australia, Canada, Denmark, Iceland, Norway, Sweden, UK, US, 77-80; (proposed) amendments: by India, 78, 80-81, 83n; by the Soviet Union, 78, 80-81
- Chinese (Peoples Republic) representation at UN, 3, 59, 162-167, 1576; *see also under* assessment *above*; Commonwealth consultations regarding, 165-166; international recognition, 166-167; positions of: Canada, 163-165, 167; China (Republic), 164; UK, 162; US, 163, 166-167
- disarmament, 4, 84-155, 174; armed forces: reduction of, 120, 126; atomic energy: UN control of, 84, 86-87, 95, 113, 121, 127; ICBM, 91, 95; inspection, 84, 88, 91, 95, 121, 127; nuclear weapons: reduction of, 109, 118, 121, 124, 130
- positions of: Canada, 84-85, 96-102, 104-107, 110, 113, 116, 118-119, 119-120, 122-127, 132, 134-136, 139-140, 142-143, 145-147; France, 111, 113-114, 116, 118, 127, 129-130, 132, 138, 149; India, 88-90, 152; Soviet Union, 91-94, 112-113, 116-118; UK, 109-113, 138; US, 90-91, 94-98, 102-104, 106-108, 111, 115-117, 119, 126-128, 132, 137-138; Western powers, 151-153
- proposals for disarmament by: Bulganin, 140, 144, 148; Eisenhower ("open skies"—July 21), 94-96, 102-104, 106-108, 110-111, 119, 121, 135-141, 144, 148, 174; France and UK, 90-93, 98, 106, 109, 121, 127-128; France (Faure), 104-105, 120; Soviet Union, 120, 155
- resolution (914 (X), Dec. 16): Canadian amendments, 140-142, 145; Indian amendments, 152-153; Soviet amendments, 150-151, 154-155; UK drafts, 144-146; US drafts, 115; Western composite drafts and amendments, 148-149, 151-152
- Sub-Committee of the UN Disarmament Commission, 84-131; Canadian membership in, 96-97; London meeting of (Feb. 25-May 18): instructions for, 85-91; summary report on, 91-94; New York meeting of (Aug. 29-Sept. 9), 100-102; preliminary consultations for, 102-104, 107-110; reports on, 111-114, 116-119
- UN Disarmament Commission, 130-155; meeting (Oct. 21): reports on, 132-133; membership, 134-135
- elections, 11-16; Canadian membership in main UN Councils, 11-14; ECOSOC, 2-3, 13; Security Council, 2, 12-16; Trusteeship Council, 13-14
- instructions for Canadian delegation to, 1-11; *see also under* elections *above*; administrative and budgetary questions, 10-11; atomic energy, 4-5; decolonization, 2, 5-6; Cyprus, 6; dependent territories, 8; economic issues, 9-10; human rights, 10; Korean conflict: settlement of, 8-9; Morocco, 6-7; social questions, 10; South Africa, 6, 8; SUNFED, 9; West New Guinea, 8

- members: admission of new, 3, 16-70;
see also under Bandung conference, China (Peoples Republic)
 Algeria: importance of, 25, 31, 41, 51
 consultation with friendly powers (Colombo Plan powers, NATO members, Commonwealth members), 19, 27, 54
 countries applying for admission: Albania, 17, 30, 51; Austria, 17, 20-21; Bandung powers (7), 17, 20-21, 23, 30-31; Bulgaria, 17, 69; Cambodia, 17; Ceylon, 17, 40; Finland, 17; Germany (Democratic Republic/Federal Republic), 18; Hungary, 17, 69; Ireland, 17; Italy, 17; Japan, 17, 22-23, 32, 48, 50, 56, 68; Jordan, 17; Korea (South), 18-19, 30, 67; Laos, 17; Libya, 17; Nepal, 17; Outer Mongolia, 17-18, 22-23, 28-30, 33-34, 36-37, 41-42, 48, 50-51, 53-56, 58-59, 61, 64, 67-69; Portugal, 17; Rumania, 17, 69; Spain, 18, 24(n), 26-30, 32, 35, 46, 48, 50, 52-54, 56, 64; Vietnam (Republic), 18-19, 67
 (draft) resolution (918 (X), Dec. 8) regarding: Canadian origin of, 24-25, 27, 39, 49, 52-53; General Assembly debate: positions during, 66-67; Security Council discussion regarding, 67-68; Indian amendment of, 60, 65-66; meeting of co-sponsors, 44-46, 48-49, 57-58, 60, 65-66
 positions of: Australia, 45-46; Canada, 25-27, 29-32, 35-47, 49, 52-54, 56-57, 62-65, 68-69; China (Republic), 18, 36-37, 53, 58-59, 61-62, 64, 66-69; Soviet Union, 22-23, 32, 50-51; UK, 23-24, 28-29, 33, 40-41; US, 20-21, 29-30, 34-35, 42, 47-48, 52-55, 64, 68-70
- IMF, 243-269; *see also* convertibility, currency, dollar, EPU, Sterling area
 currency convertibility: consultations with GATT on import restrictions, 261; draft policy statement on, 255-256, 260-261; general considerations on movement towards, 243-250, 253-256, 266-269; restrictions on imports: policy regarding approval of, 250-251, 255, 260-261
- 10th annual meeting of the Board of Governors, 266-269
- positions of: Australia, 268; Belgium, 248-249; Canada, 246-247, 250-252, 257-259, 263-265; China (Republic), 249-250; France, 250, 262; Germany (Federal Republic), 248; IMF Executive Director, 253, 259; India, 249-250; Italy, 249-250; Japan, 249; Netherlands, 249; UK, 247-248, 256-259, 262-263, 265-267; US, 245-246, 267-268
- UNITED NATIONS INTERNATIONAL CHILDREN'S EMERGENCY FUND (UNICEF; ALSO UNITED NATIONS CHILDREN'S FUND): *see under* UN (extra-budgetary programmes)
- UNITED NATIONS REFUGEE FUND (UNREF): *see under* UN (extra-budgetary programmes)
- UNITED NATIONS RELIEF AND WORKS AGENCY (FOR PALESTINE REFUGEES) (UNRWA(PR)): *see under* UN (extra-budgetary programmes) and *see* Palestine refugees
- UNITED NATIONS TRUCE SUPERVISION ORGANIZATION (IN PALESTINE; UNTSO): *see under* Middle East (Arab-Israeli relations) and *see* Egypt, Israel, Jordan, Palestine refugees
- UNITED STATES (US), 660-1065; *see under* China (Peoples Republic: recognition), China (Republic: Formosa), Commonwealth (Colombo Plan: Commonwealth Consultative Committee—report; meeting of Prime Ministers), GATT (9th session of the Contracting Parties: waiver on agricultural products: major Canadian export commodities—positions; negotiations with US and Japan), Indochina (ICSC operation in Cambodia, Laos, Vietnam), Japan (war criminals), Korean conflict (withdrawal of Canadian forces), Middle East (Arab-Israeli relations; export of arms: consultations—Near East Arms Co-ordinating Committee; Israel), NATO (alerts procedures: Tripartite Alerts Agreement; annual review and mutual aid: mutual aid; defence policy: nuclear weapons policy; economic and non-military co-operation: Joint Canada-US Ministerial Committee on Trade and Economic Affairs; political consultation: conference of foreign ministers, ministerial meeting—May, July, Dec.), SEATO, UN (General Assembly: assessment, atomic radiation: (draft) resolution, Chinese representation, disarmament—positions—resolution, members: admission; IMF), Western Europe (OEEC: convertibility, quantitative restrictions) and *see also* CIA, cold war, détente, Dulles, Eisenhower, USAEC
- defence and security relations, 662, 670-832

- atomic energy: Agreement for Co-operation on the Military Uses of, 991-997; Annex to Agreement for the Exchange of Atomic Energy Information for Mutual Defence Purposes, 994-995; APAE, 993; Canadian draft of, 991-992; DEW System: relation to, 997; NATO: relation to, 991n, 993
- continental air defence, 680-690, 699-755; *see also under* China (Republic: Formosa), defence and foreign policy in the nuclear age; Canada-US Emergency Defence Plan, 704; Canadian Air Defence Command, 709, 712; Combined (North American) Air Defence Command: proposal for, 701-702, 709, 711, 713, 717, 719-720, 733, 755; Combined Northern Air Defence Force: proposal for, 701, 711; détente: implications, 714; DEW System, 727, 748; disarmament, 715; early warning systems: role of, 700; Mid-Canada line, 700, 716, 727-728, 748; missiles (BOMARC, FALCON, NIKE, SPARROW II, TALOS), 716-717, 722-723, 728, 736-740, 743-745, 747-750, 752-754; MSG, 699-701, 703, 709, 712, 715; NATO: relationship to, 714-715, 730-732, 735, 749-751, 753-754; Pinetree line, 716, 723, 727, 748; PJBD, 699, 710, 716; SAGE, 710, 712, 727, 750; Soviet threat: estimates of, 707, 714, 722, 726; US Continental Air Defence Command, 702, 709-710; US Strategic Air Command, 703, 710
- Avro Arrow (CF-105): and nuclear missiles, 706; comparison with other available aircraft, 729-730; cost of, 707-708, 718-720, 724, 736-741, 750-754; design of, 706; development of, 707-708, 718-721; NATO use of, 708; policy options, 734, 742-746; pre-production programme, 705-707; progress of, 715-717; re-appraisal of, 721-755
- DEW System, 727, 756-784; construction of, 756-757, 765, 777; inuit: impact on, 758, 760-761; Mid-Canada line: relation to, 766, 770, 774, 783; operation of, 756-757, 762-784; Pinetree line: relation to, 770; PJBD, 759, 761, 772-779, 781, 783-784; resupply of, 770-771, 776; sites: restoration of, 758-761
- experimental sounding stations: at Shelburne, NS, 812-818; at Quatsino Sound, BC, 816; PJBD, 813-814
- Frobisher Bay: Advisory Committee on Northern Development, 794-798; US personnel at, 792-798
- Goose Bay: US personnel at, 790-791
- nuclear testing in the Pacific, 799-802; *see also* atomic radiation
- radar defence system (Pinetree Line and Mid-Canada): 784-789; additional radar stations in Labrador coast, 786-787; additional radar stations in Barrington, NS, Oba and Marathon, Ont. and Kamloops, BC, 784-786; "Texas Tower," 788-789
- St. Lawrence air gunnery range, 802-806
- strategic consultations (Dec. 5), 670-698; agenda, 671-672; Canadian attitude towards, 677-678; delegations, 670, 676-679; record of, 678-695; US attitude towards, 676-677
- topics discussed: Avro Arrow (CF-105), 684, 686-687; alerts 671-675, 687-688; atomic weapons, 671, 684, 688; BOMARC missiles, 682, 686-687; China (Republic/Peoples Republic), 677, 690-695; continental air defence, 680-690; détente, 679; DEW System, 683; disarmament, 679; FALCON missiles, 682; Far East, 671, 677, 690-695; ICSC, 695-698; Korea (Republic/Peoples Republic), 691; Laos, 694; Mid-Canada line, 685-686; NATO, 680, 687-688; Pinetree line, 683, 685; SAGE, 685; SIDEWINDER missiles, 682; Soviet intentions, 671, 677, 688-690; SPARROW II missile, 685; TALOS missiles, 682; US missile programmes, 680-682; Vietnam (Democratic Republic/Republic), 694
- US bases: operation of television transmitters at, 806-812; relation to CBC, 807, 809-812
- US communications facilities, 818-832; *see also* economic issues: trans-Atlantic cable *below*; benefits for Canada, 823-824; control of, 821-822, 825-826, 828; COTC, 819; DEW System, 826, 829-832; manning of, 818-820; Pinetree line, 821, 832; PJBD, 822; US network in Eastern Canada, 819
- economic issues, 833-990

- atomic energy: Agreement for Co-operation on the Civilian Uses of, 981-990; AECB, 989-990; AECL, 981-984; APAE, 981; Canadian reservations regarding security provisions of, 987-989; CDA, 983; NRU/NRX reactors: relation to, 986; USAEC, 981-983; US clause on sale of plutonium, 982; US clause on sale of uranium, 982-985
- atomic energy: uranium supply, 998-1006; AECL, 998-1006; purchasing policy, 999-1000; price, 999-1000, 1002-1005; USAEC, 998-1000, 1005
- Joint Canada-US Ministerial Committee on Trade and Economic Affairs: meeting of (Sept. 26), 895-913; *see also under* US agricultural surpluses *below*; convertibility of currencies, 897; customs simplification, 896, 898; defence production, 897; GATT, 896, 898-900; international trade and commercial policy, 905-909; proposal for meeting of, 895-898; summary record of, 904-913; NATO, 902; OEEC, 899; US agricultural surpluses: relation to, 897, 903-904, 910-912
- pelagic sealing: North Pacific Fur Seals Conference 1057-1061; instructions for Canadian delegation to, 1057-1059; interim report, 1060-1061
- St. Lawrence Seaway, 921-971; *see also* IJC: Lake Ontario levels *below*; Boundary Waters Treaty (1909): relation to, 941, 965; Canadian shipping traffic: impact on, 924, 934; customs waivers, 942-950, 956, 960, 962-968; excavation work: division of, 940-946, 956, 960-966; 966; excavation work: cost of, 944-945, 948-949, 964; IJC, 940-941, 965; immigration waivers, 942-950, 956, 960, 962-968; lock dimensions, 926-927, 931-932, 936-939, 952-953; navigation facilities at Cornwall and Iroquois, 921-923, 927, 931-933, 935, 955, 957-960; New York Power Authority, 940, 943, 955, 957, 962; Ontario Hydro, 940, 943, 946-949, 955, 957, 962-963; Roosevelt Bridge, 968-971; St. Lawrence Seaway Authority of Canada, 926-927, 930-931, 933-934, 937, 952, 970-971; US Seaway Development Corporation, 930, 933-934, 936-937, 958, 969-971
- securities fraud, 912-921; extradition to the US, 920; submission to Supreme Court, 913-91; Québec: influence of, 917, 919
- transportation tax, 972-973
- trans-Atlantic cable, 973-980; *see also* defence and security relations: US communications facilities *above*
- US agricultural surpluses, 833-851; *see also under* Joint Canada-US Ministerial Committee on Trade and Economic Affairs *above*; disposal of wheat, 833-851, 897, 904; Canadian aid *under* the Colombo Plan: relation of to, 851; Canadian note on US export policy, 833-835; commercial commodity prices, 836, 845-846, 849; CWB, 842-843, 846-847; GATT, 850; IWA, 835, 838, 840-841, 845-846, 850-851; Joint Canada-US Ministerial Committee on Trade and Economic Affairs, 834, 837, 839, 841-851; US domestic price-support, 836, 839, 842, 847, 849-850; US economic aid (to Colombia, Germany (Federal Republic), Italy, Israel, the Netherlands), 834, 836, 838-839, 842, 844; US reply to Canadian note, 838; wheat-exporting countries (Argentina, France), 843, 845-846
- US restrictions on imports, 852-894; Canadian representations regarding individual commodities, 854-861, 864-867, 872-873, 877-881, 883; commodities concerned: alsike clover seed, 870-873; hardboard, 877-881, 884-886; lead, 863-867, 876n, 896; (crude) oil, 852-862, 867-870, 876n, 890-894, 896; potato grade standards, 889-890; rye, 874-875, 881-884; zinc, 863-867, 876n, 896; defence relations: consideration regarding, 854-857; GATT, 866, 873, 880-881, 889-890, 894; informal discussions on, 886-889; US Cabinet Committee on Energy Supplies and Resources Policy: relation to, 852-860, 862, 891; US replies to Canadian representations, 862, 868-870; US Tariff Commission: hardboard, 877; US Tariff Commission: recommendations on lead and zinc, 864-865; US Tariff Commission: report on alsike clover seed, 870-873; US Tariff Commission: report on rye, 881-883
- IJC, 1006-1056
- boundary waters: *see* cross-border pollution *below*
- Chicago diversion, 1050-1056; and Columbia River system, 1055;

- Boundary Waters Treaty (1909): relation to, 1050-1052, 1055; Canadian protest note: content of, 1050-1054; timing of, 1054-1056; Lake Ontario levels: impact on, 1051-1052, 1054; Montréal harbour: impact on, 1054; Niagara River Treaty: relation to, 1051-1052, 1055
- Columbia River system, 1036-1050; *see also* Chicago Diversion *above*; Boundary Waters Treaty (1909): role of, 1038, 1044; Canadian studies of, 1037-1039; Columbia River flood waters: use of in conjunction with Fraser River, 1036-1037, 1046-1050; downstream benefits, 1042-1044; hydro-electric sites: importance of, 1038, 1041; IJC meetings, 1040-1042
- cross-border pollution of boundary waters, 1006-1012; Advisory Committee on Water Uses Policy, 1009-1012; Boundary Waters Treaty (1909), 1007, 1010; IJC, 1009
- Lake Ontario levels, 1014-1035; *see also under* Chicago Diversion *above* and *see also* economic issues: St. Lawrence Seaway *above*; Boundary Waters Treaty (1909), 1015; Canadian draft reply to the IJC, 1030-1035(n); cost of, 1016-1018, 1020, 1022, 1028-1029; cyclical fluctuations of, 1014; levels: range of, 1015-1019, 1022-1027, 1030; IJC: meeting of, 1024-1027; New York Power Authority, 1018-1019, 1021; Ontario Hydro, 1017-1018; Ontario, 1017; Québec interest in flooding of Montréal, 1014, 1017-1018, 1020, 1028-1029, 1031; remedial works in the Lachine canal, 1030n; St. Lawrence Seaway Authority of Canada, 1018, 1028-1029; St. Lawrence Seaway Project excavations: estimated impact of, 1014-1015; US Seaway Development Corporation, 1018-1019, 1021, 1023
- St. Croix River Basin: reference to IJC, 1012-1014
- political relations, 660-670, 1057-1065
- Arctic sovereignty, 1061
- publicity in US about Canada, 1061-1065
- territorial waters: Dixon Entrance and Hecate Strait, 1057
- visit of US Secretary of State to Ottawa (March 17-19), 660-670; topics discussed: atomic weapons, 661-662; bilateral consultations, 661; China (Republic/Peoples Republic), 661, 663-667; defence, 662, 670; Germany (Federal Republic/Democratic Republic), 669; ICSC, 668; Korea (Republic/Peoples Republic), 669; Laos, 667-668; NATO, 660-661; trade: oil, 662; Vietnam (Democratic Republic/Republic) elections, 668-669; WEU, 660-661; Yalta, 660
- UNITED STATES ATOMIC ENERGY COMMISSION (USAEC): *see under* Commonwealth (Colombo Plan: NRX reactor for India), US (economic issues: atomic energy—Agreement, uranium supply)
- UNREF: *see* United Nations Refugee Fund
- UNRWA(PR): *see* United Nations Relief and Works Agency (for Palestine refugees)
- UNTSO: *see* United Nations Truce Supervision Organization
- URANIUM: *see under* Commonwealth (Colombo Plan: NRX reactor for India), NATO (annual review and mutual aid: mutual aid - aircraft vs. uranium), US (economic issues: atomic energy - Agreement, uranium supply; defence and security relations: atomic energy) and *see* atomic energy, atomic radiation, plutonium
- USAEC: *see* United States Atomic Energy Commission

V

VIETNAM (DEMOCRATIC REPUBLIC; NORTH): *see under* Bandung conference, Indochina (ICSC operation in Vietnam), US (defence and security relations: strategic consultations - topics discussed; political relations: visit of US Secretary of State) and *see* Cambodia, Far East, Laos, Thailand, Vietnam (Republic)

VIETNAM (REPUBLIC; SOUTH): *see under* Bandung conference, Commonwealth (Colombo Plan: Commonwealth Consultative Committee—aid to non-Commonwealth countries), Indochina (ICSC operation in Vietnam), UN (General Assembly: members - admission), US (defence and security relations: strategic consultations—topics discussed; political relations: visit of US Secretary of State) and *see* Cambodia, Far East, Laos, Thailand, Vietnam (Democratic Republic)

recognition of, 1503-1508

W

WAR CRIMES/CRIMINALS: *see under* Japan

WARSAW PACT (MAY 14), 1194-1200; *see also under* NATO (political consultation: ministerial meeting—July), Soviet Union (foreign policy trends) and *see also* Baghdad Pact,

- Bulgaria, cold war, Communist bloc, Czechoslovakia, Eastern Europe, Germany (Democratic Republic), Poland, propaganda, Rumania, SEATO; Warsaw Pact conference (May 11-14), 1194-1200; positions of: China (Peoples Republic), 1195; Germany (Democratic Republic), 1196-1197, 1199; Poland, 1196; Soviet Union, 1197-1200; topics discussed: disarmament, 1197
- WEST INDIES: *see* British West Indies
- WESTERN EUROPE, 1066-1127; *see under* WEU and *see also* Austria, Benelux countries, Denmark, Eastern Europe, EPU, Finland, France, Germany, Ireland, NATO, Norway, OEEC, Portugal, Scandinavia, Spain, Sweden, UK
- Austrian State Treaty, 1112-1118; Austrian neutrality, 1115, 1117-1118(n); Canadian accession to, 1115-1116; Canadian relations with Austria, 1113; Canadian oil interests in Austria, 1114, 1116; refugees, 1113; Soviet interference in Austrian affairs, 1115; UN: relation of, 1115
- immigration from: financial measures to assist Western European, 1125-1127
- Italian Peace Treaty: denounced by Italy, 1118-1124; NATO, 1119, 1121-1124; WEU, 1121-1122, 1124
- OEEC, 1076-1112
- convertibility of currencies, 1095-1112; EPU: relation to, 1095-1097, 1099-1101, 1104, 1108-1110; GATT: relation to, 1096-1097, 1100, 1102, 1106, 1108, 1110-1112; IMF: relation to, 1100, 1104-1106, 1108; OEEC Ministerial Council: meeting of, 1102-1103 (May 10-11), 1109-1111 (June 9-11); OEEC Ministerial Examination Group on: meetings of, 1095-1099; positions of: Benelux countries, 1097, 1102; Canada, 1098-1099, 1107-1108, 1111-1112; Denmark, 1097; France, 1102; Germany (Federal Republic), 1097, 1102; Sweden, 1097; Switzerland, 1097, 1104-1105; UK, 1096, 1102-1103, 1105-1106, 1109; US, 1096-1097, 1105-1106; Sterling area, 1100-1101, 1108
- quantitative restrictions on dollar imports, 1076-1095; GATT: relation to, 1080, 1095, 1103; IMF: relation to, 1080, 1103; OEEC Council: meeting of, 1079; OEEC Questionnaire on, 1080-1081
- OEEC Working Group on Dollar Import Liberalization, 1088-1090; Canadian comments on (draft) report of, 1094-1095; French appendix to (draft) report of, 1093; (draft) report of, 1089-1093; summary of chapters of report of, 1091-1092
- positions of: Austria, 1081; Belgium, 1085; Canada, 1076-1077, 1079, 1086, 1088-1090, 1094-1095; Denmark, 1081; France, 1080, 1085, 1090-1091; Germany (Federal Republic), 1083-1084, 1087; Netherlands, 1085; Norway, 1081, 1085; Sweden, 1084; Switzerland, 1086; UK, 1082-1083, 1087-1088; US, 1077-1079, 1081-1082, 1085-1089, 1091
- Western European integration, 1066-1076; atomic energy: proposals for common approach to, 1070; common market (customs union): proposals for, 1067, 1070, 1074; GATT: relation to, 1068-1069, 1071-1075; Messina Conference (June 1-2), 1066(n)-1067, 1074; NATO: relation to, 1068-1069, 1072-1073, 1075; positions of: Belgium, 1068-1069; Canada, 1070-1073, 1075-1076; France, 1067, 1071
- WESTERN EUROPEAN UNION (WEU): *see under* Commonwealth (meeting of Prime Ministers: topics discussed), NATO (political consultation: conference of foreign ministers, ministerial meeting: May, July: European security architecture), US (political relations: visit of the US Secretary of State), Western Europe (Italian Peace Treaty)
- WEST NEW GUINEA: *see under* UN (General Assembly: instructions) and *see* decolonization, dependent territories
- WHEAT: *see under* GATT (9th session of the Contracting Parties: waiver), Poland (sale of Canadian wheat to), Soviet Union (trade agreement), US (economic issues: US agricultural surpluses) and *see* commodities, CWB, IWA

Y

- YALTA (FEB. 1945): *see under* US (political relations: visit of the US Secretary of State)
- YUGOSLAVIA: *see under* Soviet Union (foreign policy trends) and *see* cold war, Communist bloc, Eastern Europe, détente

